APR 2 1943

Final Edition

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In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4164

New York, N. Y., Thursday, April 1, 1943

Price 60 Cents a Copy

OUR REPORTER'S REPORT

Another large refunding operation looms on the horizon with the disclosure that a number of syndicates are forming with a view to bidding for a probable issue of $47,000,000 of new securities of the Kansas City Terminal Railway Co.

Although the company has not yet definitely decided upon the operation, pending a report by a committee assigned to study the matter, belief prevails that bids probably will be called for the latter part of next month.

Underwriting circles are discussing the prospect for an issue of $27,000,000 of term bonds, and $20,000,000 of serials to mature in from four to thirty years. Funds so raised would be used to retire $49,000,000 of currently outstanding first mortgage 4s which fall due Jan. 1, 1960.

Decision in the matter should be reached in the near future since the outstanding bonds are subject to call on any interest date on eight weeks' notice.

The next interest date is July 1, so that May 4 is reckoned as

(Continued on page 1203)

Pennsylvania Corporates-Municipals

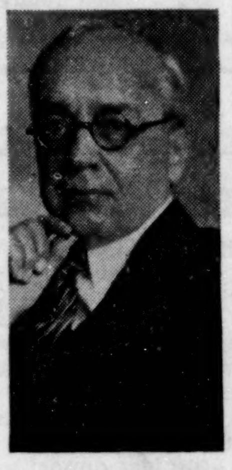
Special section devoted exclusively to Pennsylvania corporate and municipal securities and brevities starts on page 1200. This will be a regular monthly feature of the "Chronicle."

The Future Of The Gold Standard

By EDWIN WALTER KEMMERER

Walker Professor of International Finance
in Princeton University

The early part of the present century found all the leading nations of the world except China on the gold standard and likewise most of the minor nations. Although the gold standard in its crude beginning can be traced back over two thousand years and in primitive forms has existed for many centuries in different parts of the world, the first country in which it appeared in an organized modern form was Great Britain and the time of this appearance was about 120 years ago.



E. W. Kemmerer

During the nineteenth century the world experimented extensively with many monetary standards, besides the gold standard, including the silver standard, the bimetallic standard at various gold-silver ratios, dual standards and many varieties of managed paper-money standards. Out of this "battle of the standards," under the rigorous test of trial and error, the gold standard was the victor and gold was everywhere recognized as King.

Thoughtful people realized that the gold standard was far from perfect and that, in particular, viewed over substantial periods of time, gold was not as stable in value as an ideal standard should be; but the gold standard had been more stable than any other monetary standard for many years. It had, moreover, been in process of development over the centuries and the belief was generally accepted that the best hope for the future consisted in the improvement of the gold standard rather than in the substitution of some other standard in its place.

Breakdown During World War I and Subsequent Revival

During the period of World War I and the years immediately following, the gold standard everywhere broke

(Continued on page 1202)

Program To Salvage Fiscal And Monetary Solvency

Dr. Walter E. Spahr, Professor of Economics, New York University, and Executive Secretary of the Economists' National Committee on Monetary Policy, condemned various moves leading us into serious inflation and expressed faith in our ability to carry our post-war national debt without backbreaking taxation or resorting to currency dilution in any form in an enlightening article appearing in the "Chronicle" of March 4, bearing the above caption.

Recognizing the vital importance of this subject, which will obviously constitute the foremost of our post-war problems, the "Chronicle" invited comments regarding the views and beliefs expressed by Dr. Spahr in his article. A considerable number of letters which were received originally were given in the "Chronicle" of March 11th, 18th and 25th. Others are now given below, and the remaining ones which came to hand more recently will be published in the April 8th number.

ROBERT A. TAFT,
United States Senator From Ohio

I agree with everything that Dr. Spahr says in opposition to the various measures designed to inflate the currency. I believe that all of the measures which he lists should be repealed, and a policy adopted which will leave no one in doubt as to the integrity of our currency.

Robert A. Taft

In the first place, it is unlikely that the debt can be paid off at all, or at least only in minor degree. It will no doubt be a permanent obligation, requiring the payment of interest and the levying of taxes to pay that interest.

In the second place, there may be inflation in spite of a sound policy with regard to currency. No matter how severe the price controls, it is inevitable that prices will rise during the war, probably to a point at least 50% higher than they were before the war. The question arises whether we should attempt to deflate these prices, or to stabilize them at the new level. The latter seems to me a more likely course and perhaps a sounder one. The effect would be a reduction in the value of the dollar in terms of commodities.

The difficulty with currency inflation, however, is that it opens the door to unlimited inflation. It is designed to cause price rises in

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Brokers-Dealers Urged To Protect Millions Of Investors Government Bond Sales Create

By EDWIN J. SCHLESINGER

The Liberty Loan sales are said to have resulted in the creation of roughly 17,000,000 investors in the United States, so some idea may be obtained of how many people will hold Government bonds by the time this war is over. And every one of them, with a little nursing, will be a potential investing customer.

It is very possible that some investment bankers and brokers are not fully alive to the extraordinary crop of investors that is being sown for them, and which may prove to be a veritable bundle of good luck left on their doorsteps. However, in harvesting this bumper crop, great care will have to be exercised and much restraint used, but this should not be difficult.

There can, of course, be no repetition of the 1920s; and most brokers and investment bankers will be sure to see to it that this time the investors are handled in such a way that the mistakes of the past cannot reoccur. It is their idea that the SEC will not have to be called upon to prevent a repetition of some of the past performances, but instead voluntary action will be taken by all concerned to keep things from getting out of hand. It is safe to say that this long-headed policy will yield good results.

An investor is one who, while he naturally welcomes appreciation of his capital, should have as his constant and foremost thought the preservation of his invested fund. Since securities cannot be examined before they are bought like so much merchandise, a definite responsibility rests on the shoulders of the seller.

Nobody has the right to gainsay a legitimate profit to either investment bankers or brokerage houses; and consequently it is well not to give criticism the slightest opportunity to take root. Perhaps one of the best ways to make profits from the brokerage and investment banking business stick and multiply is to try to keep the customer alive by not having him over-buy or over-sell. For this reason more and more brokers are confining themselves to executing such orders as they receive, without trying to whip up too much business which may prove of an ephemeral nature.

Just like a rolling stone gathers no moss so does the in-and-out customer gather no cash, with the result that he winds up as a dead account on his broker's ledger. A steady investor, even though small, will frequently over a period of years prove more profitable than the type of speculative account which is only a flash in the pan. Unfortunately, the asset value of an investing customer is often only recognized and appreciated after the speculative business has died down and pretty much disappeared. However, this time it appears quite outlook for a steady growth in certain that the barn door will be closed before it is too late, so the business should be bright.

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Alfred V. Smith Is Masterson Partner

Alfred V. Smith has become a partner in Frank C. Masterson & Co., 64 Wall Street, New York City, members of the New York Curb Exchange, effective today. Mr. Smith, a member of the New York Curb Exchange, has recently been active as an individual Curb floor broker and in the past was a partner in Lyon & Co. and Francke & Lyon.

Fort Pitt Bridge Dividend

The Fort Pitt Bridge Co., at the directors' meeting on March 29, declared a dividend of 25 cents per share on the common stock, payable on June 1 to holders of record May 1. A previous dividend of 25 cents per share was paid on March 1 of this year. One dollar per share was paid by the company in 1942.

R. J Buck Co. Opens Branch In Venezuela

Richard J. Buck & Co., 39 Broadway, New York City, members of the New York Stock Exchange, is today opening a branch office in Caracas, Venezuela. This is the first time since 1923 that a branch office has been opened in Latin America by a New York Stock Exchange member firm.

Meyers With Paine Webber

(Special to The Financial Chronicle)

BRIDGEPORT, CONN. — John M. Myers has become associated with Paine, Webber, Jackson & Curtis, 43 Pearl Street, Hartford, Conn. Mr. Meyers was formerly in business as an individual dealer in Bridgeport and prior thereto in New York City.

George Rourke Joins E. F. Hutton & Co

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — George W. Rourke has become associated with E. F. Hutton & Company, 623 South Spring Street Mr. Rourke was formerly local manager for J. A. Hogle & Co. In the past he was with G. Brashears & Company.

Quinn In Fresno

(Special to The Financial Chronicle)

FRESNO, CALIF.—Andrew W. Quinn has opened offices in the Brix Building to engage in a general securities business. Mr. Quinn was formerly with Schwabacher & Co.

Houghton Bulkeley Is Now Cooley Partner

HARTFORD, CONN. — Houghton Bulkeley has been admitted to partnership in Cooley & Co., 100 Pearl Street, members of the New York Stock Exchange, effective today. Mr. Bulkeley for many years was a partner in Putnam & Co.

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Rail Situation Interesting

"The Bond of the Week," a series of articles on railroad bonds, is being distributed by Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia, Pa. Copies of the articles in this series, each discussing currently attractive situations, may be had upon request from the firm.

Stroud & Company, Incorporated, also publish "Semi-Annual Valuation of Railroad and Equipment Certificates."

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Thursday, April 1, 1943

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other Offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions in United States and Posessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.

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Off-Board Securities Business Has Big Volume

Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, members of the New York Stock Exchange and other leading Exchanges, have published a 28-page booklet entitled, "Off-Board Securities Business," which tells how this business is handled, where it originates and sets forth the legal restrictions and other rules governing these transactions.

According to the firm, the value of securities traded off board, including U. S. Government securities, is substantially greater than the value of securities traded on the organized securities exchanges, amounting to $175,567,000,000 as of Dec. 31, 1942, compared with about $100,000,000,000 of on-board securities. Exclusive of U. S. Government securities, the off-board business was valued on that date at $95,000,000,000.

Copies of this interesting and attractive booklet may be had upon request from Merrill Lynch, Pierce, Fenner & Beane.

DEALER BRIEFS

Boston, Mass.

We find a growing tendency on the part of our clients to crystallize their profits on their speculative Second Grade Rail Bonds and certain of their very speculative Industrials by trading for equities of real intrinsic merit. Bank and Insurance stocks have been the logical media for this purpose.—*F. L. Putnam & Co., Inc.*

We find plenty of funds for investment in the securities of our local industrials and utilities, especially those with good earnings records and good possibilities for a stable post-war business. Such securities are sure to be a good hedge against inflation.—*Benjamin Howe, President, H. P. Wood & Co.*

Danbury, Conn.

Connecticut is fortunate in having a group of manufacturing companies whose unbroken dividend records go back from 40 to 90 years. Among these are Scovill Mfg. Co., American Hardware Corp., Landers, Frary & Clark, Stanley Works, Torrington Co. and a number of others.

While all are engaged in war production, we feel that peace-time demands for their products will be heavy.—*Berkley H. Hill, Maples & Goldschmidt.*

Harold Carron Is Now With Distributors Group

Harold T. Carron has become associated with Distributors Group, Inc., 63 Wall Street, New York City, in charge of the Order and Trading Room.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels, according to a circular issued by J. L. Schiffman & Co., 60 Broad St., New York City. Copies of the circular may be had from the firm upon request.

H. H. Robertson Attractive

An interesting circular on H. H. Robertson company has been prepared for distribution by Buckley Brothers, 1529 Walnut Street, Philadelphia, Pa. Copies of the circular discussing the current situation affecting H. H. Robertson may be had from Buckley Brothers upon request.

ABC Corp. Pays Regular Quarterly Dividend

American Business Credit Corporation paid a regular quarterly dividend of eight cents per share on March 31st.

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PERSONNEL ITEMS

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(Special to The Financial Chronicle)

CHICAGO, ILL.—**Arthur S. DePew** is now with **Leason & Co., Inc.**, 39 South La Salle Street. Mr. DePew was previously connected with Ryan, Nichols & Co., and Thompson Ross Securities Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Fred W. Wakefield** has joined the staff of **Finley & Co.**, Union Commerce Building.

(Special to The Financial Chronicle)

DETROIT, MICH. — **Mary C. Siegrist**, formerly with Wm. C. Roney & Co., is now affiliated with **Charles A. Parcells & Co.**, Penobscot Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Thomas C. Spearman** has been added to the staff of **Bankamerica Company**, 650 South Spring Street.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**Lawrence W. Klopp**, formerly with Wittenberg-Merrick Company, is now with **Blyth & Co., Inc.**, Northwestern Bank Building.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**Oliver Eielson**, previously with Wells-Dickey Company, has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, Rand Tower.

(Special to The Financial Chronicle)

ST. PAUL, MINN.—**Richard G. Kramer** and **William W. Lewis** have become connected with **Merrill Lynch, Pierce, Fenner & Beane**, First National Bank Building. Mr. Kramer in the past was with Paine, Webber & Co.; Mr. Lewis was with Bigelow-Webb & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Irving Sumergrade** has become associated with **Goodbody & Co.**, National City Bank Building. Mr. Sumergrade was previously with the Federal Reserve Bank in Cleveland and prior thereto was with Prescott & Co. and Fenner & Beane.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Stanley M. Weaver**, formerly with Merrill Lynch, Pierce, Fenner & Beane, is now connected with **Straus Securities Co.**, 600 Griswold Street.

(Special to The Financial Chronicle)

DETROIT, MICH.—**William E. E. Clark, C. William Gregory** and **Harold C. Hern** have been added to the staff of **Mercier, McDowell & Dolphyn**, Buhl Building. Mr. Clark was formerly with Smith, Hague & Co.; Messrs. Gregory and Hern were with C. G. McDonald & Co.

Marshall Pask With Turnure-Blyth Co.

Marshall W. Pask, for many years head of the firm of Pask & Walbridge, and more recently a general partner in the firm of Mackay & Co., has become associated with the New York Stock Exchange firm of Lawrence Turnure & Co.-Blyth & Bonner, whose history dates back to the firm of Moses Taylor & Co., founded in 1832.

Mr. Pask, who has been prominent in financial circles for 41 years, is a director and Chairman of the Securities, Commodities and Banking Section of the New York Board of Trade.

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The oil industry and petroleum chemistry have increasingly bright prospects for the post-war period with the outlook for the crude oil producers offering particularly interesting possibilities, according to a circular being distributed by C. B. Richard & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange. Copies of this interesting circular discussing the future of the oil industry in detail may be had upon request from C. B. Richard & Co.

To Pay On Irish 5s

The National City Bank of New York, as American fiscal agent, is notifying holders of Irish Free State external loan sinking fund 5% gold bonds, due Nov. 1, 1960, that $6,000 principal amount of the bonds have been called by lot for redemption on May 1 at par. The bonds will be redeemed at the head office of the fiscal agent, 55 Wall Street, New York.

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.
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March 26, 1943.

Our Reporter On "Governments"

By S. F. PORTER

The big news in the Government market these last few days has been the under-the-surface strength in tax-exempts. . . . Of nearly all maturities. . . . Of intermediates and longs. . . . Don't, under any circumstances, miss the significance of this movement—which actually represents a continuation and intensification of a trend which began two years ago—for it may mean considerable profit to you over the long run. . . . For if you're the manager of a tax-affected portfolio, institutional or individual, you may find partial solution to your investment and speculation problems in the list of tax-exempt securities still available in the Government market. . . .

Here are some pertinent facts:

(1) **Both banks and large non-banking investors have been buying tax-exempts on an increasingly large scale during the last few weeks and experts believe this purchasing will remain a major factor in the market for some time. . . .**

(2) The possible sources of supply for tax-exempts are drying up rapidly, for it may be taken for granted that most insurance companies and savings banks have sold their non-important holdings of tax-exempts and have comparatively few bonds left in their portfolios to place on the market for sale. . . .

(3) With apparently few, if any, exceptions, the professionals in the Government mart are optimistic on the price level and position of tax-exempts and some are forecasting prices for tax-exempts which appear spectacular in comparison with present levels. . . .

(4) More and more banks are moving into the excess-profits-tax bracket and more and more banks are discovering they have only minor losses to charge off against profits—meaning that an ever-growing number of buyers may be counted on for the tax-exempt list. . . .

(5) **The outstanding total of tax-exempts is decreasingly steadily, and between now and the end of 1944, $9,000,000,000 more tax-exempts will be eliminated through the simple process of call and redemption, indicating that when the public debt hits the $210,000,000,000 mark at the end of 1944, only $23,000,000,000 of this gigantic sum will represent tax-exempt obligations. . . .**

(6) There is virtually no chance for a political move ending the favored position of tax-exempts, for Secretary Morgenthau is committed to a policy of "hands off outstanding tax-exempts" and the make-up of Congress today would suggest any attempt to revise this setup would meet terrific opposition and have dire political consequences. . . .

(7) Add all the factors together—and you have the background for the bullish attitude of insiders now on the prices of the billions of tax-exempts still out. . . .

WHILE YOU'RE WAITING

Until April 12, when the $13,000,000,000 April War Loan drive is due to begin, there is little for you to do outside of realigning your portfolio, taking stock on your present and potential buying power and deciding what issues and how many to buy. . . . This is a perfect period for analysis, therefore—a chance well needed for determining what individual investment program you wish to follow over the coming months. . . .

It must be stated at the start that full investment is the overall investment necessity for every institution and individual. . . . If you stop short of this policy, you'll ask for investigation and suspicion and unnecessary criticism. . . . It is a duty—a war-time essential for all sources with funds. . . . It's unnecessary to go beyond these few words on this point. . . . Let us then proceed to the question of what bonds to buy, rather than waste time on the question of how many. . . .

To this writer, the position of the tax-exempts has seemed obvious for many, many months. . . . Repeatedly, in this space, purchase of tax-exempts has been urged upon all investors who need some protection from the tax laws. . . . With the increasing tax load a first point and with the importance of tax-exemption an equally clear point, study of the Government mart's offerings here has seemed as elementary as the alphabet. . . .

The new factors in the situation make these sentences even more timely. . . . Surely no one can expect any immediate change in the position of tax-exempts. . . . There's no sign of any move on foot in Washington to accomplish this. . . . So greatly has the trend of thought on tax-exemptions shifted that

(Continued on page 1208)

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The reorganization of this property was an unusual one, in which the bondholders, instead of receiving new bonds, received an equal share in the ownership of the property represented by two shares of stock for each $1,000 bond, out of a total issue of 5,305 shares.

At the time of reorganization, a first mortgage of $400,000 was placed with the Chemical Bank & Trust Co. for reorganization expenses, etc. **This mortgage has now been entirely paid off and there is no funded debt ahead of the stock.**

At the current market price of the stock, approximately $155 per share, this is equivalent to buying into the property for approximately $822,275, or silghtly over 1½ times the gross income of the hotel. (It is interesting to note that the original first mortgage on this hotel was $3,000,000.)

Dividend payments since 1934 have been made as follows:

1934	$2.00
1935	6.00
1936	8.00
1937	12.00
1938	12.00
1939	12.00
1940	13.00
1941	14.00
1942	6.00
1943	9.00 (to date)

The $9 dividend paid March 23 was in lieu of the customary special dividend of $5 of September, 1942, and regular $2 quarterly dividends of November, 1942, and February, 1943. The reason for the delay in payment of these dividends was because of the expiration of the voting trust and the issuance of the common stock. With the exception of this delay, since October, 1934, a regular dividend of $2 per share was paid quarterly without interruption. Extra dividends of $4 per share were paid September, 1937, 1938 and 1939, also an extra dividend of $5 per share in 1940 and $6 per share in 1941.

Since issuance of the shares, about $190,000 has been spent in improvements and replacements. This work included new carpets throughout, new kitchen equipment, decorating and air-conditioning of dining rooms, all new springs and mattresses, radios in all the rooms and the erection of a permanent marquee for the main entrance.

In 1939, the management purchased for $18,000 the land and four-story building fronting 16.8 feet on 63rd Street. This plot has a depth of 100 feet adjoining the hotel and its purchase was deemed advisable to protect the light and air on the east side of the property.

The property, entirely owned by the stockholders, consists of land owned in fee on the southeast corner of Lexington Avenue (112.4 feet) and East 63rd Street (120 feet), New York City, improved with the 22-story apartment hotel erected thereon containing 686 rooms and 8 stores. The hotel caters to women only, and is known as New York's most exclusive residence for young women. In addition to its restaurant, it also contains a library, a recital room equipped with stage, organ and grand piano. Organ recitals are presented in the afternoons while complimentary tea is served to residents and their friends. A swimming pool and gymnasium, open-air terraces, etc., are among the conveniences provided for the guests.

Because of all of its splendid advantages and easy accessibility to other important interests and adequate transportation facilities to all parts of greater New York, we believe that this hotel should receive a good portion of the current hotel boom in New York.

	Price Range High	Low
1943	150	142
1942	187	146
1941	190	157
1940	200	155
1939	182	148
1938	147	138

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Rail Issues Look Good

Short-term railroad bonds and railroad equipment securities merit more than ordinary interest at this time, according to an interesting bulletin issued by Strauss Bros., 32 Broadway, New York City, since recent events would indicate that the current large revenues would be directed towards the twofold objective of assuring a strong financial structure and building an efficient and modernized railroad system. Copies of this interesting bulletin (Dealer Chats No. 18) may be had from Strauss Bros. upon request.

Tomorrow's Markets Walter Whyte Says——

Minor reactions too small to carry significance. Cautiousness advised. Reaction of couple of points would clear the outlook.

By WALTER WHYTE

At this writing the stock market looks slightly overbought. Under ordinary conditions this would call for a setback. But, as I've stressed last week, these are not ordinary conditions or are these ordinary days.

* * *

True, the public, which has proved so wrong so often to almost become a yardstick of the negative, is in. But public participation is not on paper-thin margin. It is buying for cash or almost cash.

* * *

There have been a number of theories presented to show that this large amount of cash buying keeps the market from tumbling off its perch. I can't present any records to show public cash participation in previous market cycles, though for the sake of argument I'll agree that the present period is the highest; yet the amount of cash spent for anything, be it securities or baby shoes, has never permanently stopped a decline. At best it can only delay it.

* * *

In the old days, before the SEC started shaking warning fingers, a market such as we have today would be made to order for the shrewd operator. In order to test the obvious underlying strength thousands of shares of stock would have been sold "at the market" to see how the market would or could take it. Today such tests are out of the question. Anybody who is suspicious of all this talk of higher markets must sit and bite his nails waiting for something more substantial to reassure him or just leave the whole thing alone.

* * *

Beginning this week the $5 stocks will have to be bought for cash. Whether this will affect the low-priced market will have to be seen. I don't think it will. For if there are any cash purchases made they are undoubtedly in the cheaper shares, which many buyers believe contain the germ of hidden wealth. There have been cases where this was true, but the odds are so much against it it isn't even a gamble. It's like giving a panhandler some folding money in the firm belief that "bread cast on the waters, etc." So for purposes of this column I intend to leave the five-dollar stocks alone and talk about the ones you can find something to talk about.

* * *

Aside from the indicated demise of the New Deal, basically the present advance gets its dynamic strength from inflation. This inflation has hit all along the line. The only place it has not hit is the stock market. Whether stocks are better than cash in a period of inflation is a debatable issue. Offhand I would say yes. But what is most important is the question of timing. And on timing you are back where you started.

* * *

Getting out before a reaction shows an ability to "time." It is possible that with the market in an ascending cycle such a reaction may prove minor and leave you sold out just before another major move develops. Yet to disregard minor signals is to fly in the face of Providence. Nobody really knows when minor reactions can turn into

(Continued on page 1202)

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Investment Opportunities Seen In Rail Issues

This is definitely a railroad year, with investments in rail securities offering most attractive possibilities according to "The Dawn of a New Day in Railroad Security Valuations," a most interesting booklet being distributed by Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock Exchange. Copies of this booklet, discussing the current situation in rail securities in detail, may be had upon written request from Vilas & Hickey.

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The most striking evidence yet to appear as to the changing investment and speculative sentiment towards rail securities was found in the prices that Baltimore & Ohio had to pay for bonds accepted under its invitation for tenders. Some of the prices were little less than fantastic, ranging from about four to more than eight points above the prices at which the bonds had closed on the New York Stock Exchange the day before the announcement was made. Prices paid were also considerably above the highs established on public exchanges during at least the last couple of years.

No announcement has as yet been made as to the funds expended in the tender operations nor the face amount of bonds accepted. Certainly, judging by the prices, the operation must have been considerably more substantial than that completed a few months ago when $29,275,650 face value of the various liens covered were purchased. The prices paid emphasize the disinclination of a large section of railroad bond holders to dispose of their commitments around going market quotations, in marked contrast to the general attitude that particularly characterized the institutional holders for many years back.

As an important market consideration, the announcement by Baltimore & Ohio of the high prices it had had to pay to acquire its bonds came on the same day that the Interstate Commerce Commission strongly reemphasized its conviction that railroad debt must be reduced by utilization of war earnings. It has long been accepted as a foregone conclusion that requests for authority to issue equipment obligations will be approved without question. The necessity for Commission approval has generally been considered merely a matter of form. However, in acting on the request of Southern Railway for authority to finance the purchase of new equipment, the Commission stated that this request would have been turned down except for one consideration.

The governing consideration was that the Southern has been effecting a substantial reduction in its mortgage debt out of the war earnings at an average interest saving of 6%. The low coupon equipment financing was, therefore, considered well worth while. If earnings were not being utilized for profitable debt retirement the Commission would apparently have required that treasury funds be used to buy the new equipment for cash.

It is expected that this new departure will get its real test when the Commission is called upon to act on the Northern Pacific's request to issue new equipment obligations this month. Northern Pacific has not followed an aggressive debt retirement policy in spite of the low prices at which its high coupon junior bonds have been available in the market. Its policy has apparently centered more around the desirability of building up a large cash reserve as a cushion against post-war eventualities.

Last year the major railroads as a whole retired roundly $300,000,000 of debt and in many quarters it is believed that the figure may run between $600,000,000 and $700,000,000 in 1943. This belief is strengthened by the constantly growing indications that the Commission is going to use every means in its power to force acceleration of debt retirement programs. It now appears almost certain that the Commission will find some means definitely to require segregation of passenger fare and freight rate increases for debt retirement, if these increases are allowed to stand. At the present writing the chances favor retention of at least the major portion of the increases.

The combination of virtually forced debt retirement and the indication in the Baltimore & Ohio experience that there is a definitely limited supply of even the weakest marginal bonds available at current market levels, had an immediately salutory influence on the second grade bond market. Volume increased substantially at materially better prices late last week. There is reason to believe, in view of the above observations coupled with the continuing very favorable trend of earnings, that the general price trend will be upward for some time to come in second grade "and interest" bonds.

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Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

It is now possible to present a fairly complete picture of the 1942 operating results of representative stock fire insurance companies since, with comparatively few exceptions, their annual reports have been filed and their earnings and other figures have been made available. The following tabulation shows, for a list of 30 companies, net premiums written, net underwriting profits, net investment income, and year-end liquidating values, for 1942 compares with 1941.

	Net Premiums Written $ (000)		Net Underwriting Profits $ (Per Share)		Net Investment Income $ (Per Share)		Liquidating Value $ (Per Share)	
	1941	1942	1941	1942	1941	1942	1941	1942
Aetna	28.452	29,865	0.66	—0.48	1.92	1.91	53.58	53.31
Agricultural	8,075	8,860	0.08	—1.24	4.57	4.25	80.29	81.23
American Alliance	2,217	2,448	—0.02	0.42	1.32	1.25	21.98	22.95
American Equitable	4,979	5,044	—0.66	—0.32	1.52	1.35	27.07	26.88
Automobile	17,020	18,551	2.17	1.27	1.75	1.61	39.24	39.77
Bankers & Shippers	4,450	3,666	—1.61	—0.58	6.35	5.90	99.34	106.18
Boston	6,269	7,392	9.90	—20.33	30.83	31.23	621.07	608.17
Continental	25,882	27,470	0.59	0.40	2.35	2.09	37.28	39.83
Fidelity-Phoenix	19,863	22,757	0.81	0.03	2.60	2.44	38.60	41.53
Fire Association	13,012	11,876	—0.74	—1.75	4.06	4.09	72.88	74.89
Franklin	9,695	7,952	0.03	—0.83	1.84	1.57	22.14	21.73
Globe & Republic	2,881	2,880	—0.38	—0.16	0.87	0.75	16.26	16.12
Great American	16,753	20,452	0.29	—0.11	1.21	1.18	22.22	22.80
Hanover	8,042	9,453	0.09	—0.20	1.41	1.42	26.30	28.64
Home	71,069	61,746	0.47	—0.65	1.75	1.50	25.00	24.71
Ins. Co. of N. A.	33,067	49,989	1.32	0.03	3.62	3.63	71.29	73.71
National Fire	18,320	18,134	—0.04	0.34	2.62	2.54	77.42	76.53
National Union	10,844	10,918	6.43	6.24	8.56	10.15	200.98	208.22
New Brunswick	2,156	1,847	—0.53	—0.34	2.24	1.92	32.87	32.34
New Hampshire	5,561	5,210	—0.71	0.11	2.14	2.21	44.84	45.49
New York Fire	2,489	2,560	—0.34	—0.18	1.28	1.11	18.46	19.46
Northern	5,575	5,397	0.94	6.10	5.11	4.33	99.29	105.78
North River	8,388	9,884	0.28	—0.86	1.15	1.10	21.59	21.51
Pacific	5,017	4,051	1.79	0.20	7.23	6.65	127.54	134.65
Phoenix	11,561	13,392	1.07	0.23	3.17	3.18	90.23	89.94
Providence-Wash.	7,795	9,561	1.18	—0.62	1.80	1.71	36.42	36.23
Security	5.776	7,258	1.99	—0.01	1.84	1.81	43.71	44.65
Springfield	16.009	18,046	3.49	3.57	5.44	4.81	125.59	128.41
United States Fire	13.029	15,375	1.23	—0.80	2.52	2.40	51.02	51.26
Westchester	8.860	11,403	0.47	—3.00	1.67	1.71	30.82	29.02
Total	393,106	423,437						

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It will be noted that 14 of the 30 companies experienced underwriting losses for the year, and that of the 16 which reported net underwriting profits only three, viz: American Alliance, Northern and Springfield, showed higher profits than in 1941. With regard to investment income, 22 reported a lower net than in 1941, while in the case of the eight which reported higher, the gains were fractional, except for National Union, which shows an 18% increase.

Underwriting losses sustained in 1942 were attributable, in most cases, to heavy ocean marine sinkings in the first half of the year, and also to unfavorable motor vehicle experience. The following 15 companies wrote a relatively high average of ocean marine risks: Aetna, Agricultural, Automobile, Boston, Fidelity-Phenix, Fire Association, Great American, Hanover, Insurance of North America, North River, Phoenix, Providence-Washington, Security, United States Fire and Westchester. Eleven of these companies reported underwriting losses for the year, while Automobile, Fidelity-Phenix, Insurance of North America and Phoenix showed quite drastic declines in their underwriting profits.

Thirteen companies in the group wrote a comparatively high proportion of motor-vehicle business, viz: Aetna, Agricultural, Automobile, Bankers & Shippers, Fire Association, Franklin, Hanover, Home, National Fire, National Union, New Brunswick, Northern, and Pacific. The underwriting experience of these companies, also, was generally poor, particularly in the case of those which were high in ocean marine as well, viz: Aetna, Agricultural, Automobile, Fire Association and Hanover. Two exceptions are National Union and Northern, both of which reported quite substantial underwriting profits. Generally speaking, the companies which wrote a high average of fire business showed the best underwriting results for the year.

Net premiums written for the 30 companies aggregated $423,437,000 in 1942, compared with $393,106,000 in 1941, an increase of $30,331,000 or 7.7%. However, it will be noted that nine companies in the group showed a drop in premium writings. In all instances, except New Hampshire, such companies had been especially active in the motor vehicle field, and suffered from the decline in this class of business.

With regard to year-end liquidating value, 18 companies show increases over 1941 and 12 show decreases. A number of factors affect the rise or fall of liquidating value, such as: the proportioning of the investment portfolio as between stocks and bonds, the relative market level of stocks and bonds, the expansion or contraction of total invested assets, the relation between surplus and unearned premium reserves, etc. Other things being equal, a company whose volume of business is expanding may show a decline in liquidating value since its unearned premium reserves, which figure only 40% in liquidating value, are built up at the expense of surplus which figures 100%.

All in all, 1942 was an eventful year in the fire and marine insurance business. Despite the impact of terrific submarine losses, drastically cut automobile driving and high taxation, representative companies came through in splendid shape, paid their regular dividends with minor exceptions, covered them by investment income alone, and ended the year in a strong financial position to carry on. In 1943 those companies which heretofore have relied less on ocean marine and motor vehicle business, but more on fire and miscellaneous risks, should, by all that is logical, experience the better underwriting results. This, of course, is on the assumption that fire losses do not rise unduly above 1942 totals and that last year's favorable burning ratio is maintained.

Halsey, Stuart Offers Public Service Bonds

A banking group headed by Halsey, Stuart & Co., Inc., offered March 29, at 108 and accrued interest an issue of $20,500,000 Public Service Co. of New Hampshire first mortgage bonds Series A 3¼% due 1973.

Upon the redemption of the outstanding bonds, the new issue, in the opinion of counsel, will meet the present requirements for legal investment of savings banks in New York, New Hampshire, Massachusetts and Connecticut and will, moreover, constitute the only funded debt of the company. Associated with Halsey, Stuart & Co., Inc., in the offering are: Dick & Merle-Smith, Ladenburg, Thalmann & Co., W. C. Langley & Co., Blair & Co., Inc., Otis & Co., Inc., Wertheim & Co., R. W. Pressprich & Co., A. C. Allyn and Company, Inc., Bear, Stearns & Co., Equitable Securities Corp., Graham, Parsons & Co., Newton, Abbe & Co., Hallgarten & Co., the Milwaukee Co., Stifel, Nicolaus & Co., Inc., Field, Richards & Co., A. G. Becker & Co., Inc., Gregory & Son, Inc. and associates.

Net proceeds of the issue will be used to the extent of $19,686,160 to redeem at 104% all outstanding bonds of the company, aggregating $18,929,000 and issued in four series, maturing from 1960 to 1966. The amount of $1,000,000 will be applied to the payment of the company's outstanding bank loans, incurred for the purchase and construction of additions to its facilities and the balance will be devoted to other corporate purpose.

The bonds will have the benefit of a sinking or improvement fund provision under which the company will pay $212,069 to the trustee on or before May 1 of each year from 1944 to 1972. This payment is to be in cash except that all or any part of the payment may be made in Series A bonds at their principal amount, while as to any part in excess of half of the amount the company may allocate and certify to the trustee, in lieu of cash or bonds, a net amount of additional property paid for during the preceding calendar year.

Total operating revenues have shown a progressive increase during the last three years, from $6,836.266 in 1940 to $7,643,741 in 1941 and $8.263,234 in 1942. Net income available for interest recorded a parallel increase, being reported as $2,262,217 in 1940, $2,780,709 in 1941 and $2,879,873 in 1942, whereas annual interest on this issue of bonds amounts to $666,250.

The electric service territory of the company in New Hampshire has a population estimated at 279,250, representing about 56% of the population of the State, and includes most of the important industrial areas in the State. In 1942 88.1% of gross operating revenues came from electric service, 3.7% from sale of gas, 6.6% from transportation and 1.6% from steam sale.

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The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.
LONDON OFFICES:
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Agency arrangements with Banks throughout the U. S. A.

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Welsbach Engineering Bonds Offered

A new issue of $493,000 collateral trust 5% 10-year sinking fund bonds was offered March 26 by Barrett Herrick & Co., Inc., New York. The bonds, which are due Jan. 1, 1953, are priced at 83 plus interest.

Proceeds from the sale of the new bonds will be used by the company to purchase all of its outstanding collateral trust 6% sinking fund bonds which are at present held by the United Gas Improvement Co.

Welsbach Engineering and Management Corp. is a holding and management company, owning all the stock of, and managing, eight subsidiaries. It is the outgrowth of a development in street illumination which began approximately 65 years ago, the prospectus states. The eight subsidiaries are engaged primarily in the installation and maintenance of street lighting systems in 30 cities in New England, Middle Atlantic and Mid-Western States, among which are Baltimore, Boston, Chicago, Cincinnati, New York and Philadelphia. They also manufacture and install traffic signals, operate a non-ferrous foundry and a machine shop, and design and install ozone generating and distributing equipment. Collateral for the new bonds consists principally of entire capital stocks of all subsidiaries, none of which has any funded debt, it is stated.

For the year 1942 the company reported gross revenue of $3,517,994, compared with $2,498,975 the preceding year. Earnings before interest, depreciation, and Federal income taxes amounted to $258,854, against $168,435 in 1941.

CITY INVESTING COMPANY
55 BROADWAY, NEW YORK
March 25, 1943

The Board of Directors has this day declared, out of surplus earnings of the Company, a dividend for the three months ending March 31, 1943, of one and three quarters (1¾%) per centum upon the issued and outstanding Preferred Capital stock of the Company, other than Preferred stock owned by the Company, payable April 1, 1943, to holders (other than the Company), of the Preferred Capital stock of record on the books of the Company at the close of business on March 26, 1943. Checks will be mailed.

G. F. GUNTHER, Secretary.

Electric Bond and Share Company
$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment May 1, 1943, to the stockholders of record at the close of business April 6, 1943.

L. B. WIEGERS, *Treasurer.*

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1943 to stockholders of record on April 15, 1943. The transfer books will not close.

THOS. A. CLARK
March 25, 1943 TREASURER

MEETING NOTICES

CANADIAN PACIFIC RAILWAY COMPANY
NOTICE TO SHAREHOLDERS

The Sixty-second Annual General Meeting of the Shareholders of this Company, for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the fifth day of May next, at the principal office of the Company, at Montreal, at twelve o'clock noon.

The Ordinary Stock Transfer Books will be closed in Montreal, Toronto, New York and London at 3 p. m. on Tuesday, the thirteenth day of April. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the sixth day of May.

By order of the Board,
F. BRAMLEY, Secretary.
Montreal, March 8, 1943.

New York & Honduras Rosario Mining Company
NOTICE OF STOCKHOLDERS' ANNUAL MEETING

The Annual Meeting of the Stockholders of NEW YORK AND HONDURAS ROSARIO MINING COMPANY will be held at the office of the Company, at Rooms 1855-1859, No. 120 Broadway, New York, N. Y., on Wednesday, April 7, 1943, at two o'clock P. M., to consider and act upon the following matters:

1. The election of ten Directors for the ensuing year;
2. Continuing the employment of Ernst & Ernst as the Company's auditors;
3. The transaction of such other business as may properly come before the meeting.

For the purpose of the meeting, the transfer books of the Company will be closed from noon, March 27, 1943, until ten A. M., April 8, 1943.

BY ORDER OF THE BOARD OF DIRECTORS
J. PERLMAN, Secretary.
Dated March 24, 1943.

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 5, 1943.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 13, 1943, at 10 o'clock A. M., to elect four Directors for the term of three years.

Stockholders of record at the close of business April 23, 1943, will be entitled to vote at such meeting.

L. W. COX, *Secretary.*

Southern Bag Looks Good

Common stock of The Southern Advance Bag & Paper Co. offers attractive possibilities, according to a memorandum issued by Boenning & Co., 1606 Walnut Street, Philadelphia, Pa., members of the Philadelphia Stock Exchange. Copies of this interesting memorandum may be had from Boenning & Co. upon request.

Program To Salvage Fiscal, Monetary Solvency

(Continued from first page)

irregular and uncontrollable percentages, and it shakes the confidence of the people in the integrity of money.

ELBERT D. THOMAS,
United States Senator From Utah

Elbert D. Thomas

We should pay in dollars of present value. With our stores of gold and silver and with price controls operating almost universally, there is no reason why we can not.

GEORGE A. EASTWOOD
President, Armour and Company

I find myself in almost complete accord with the fiscal program outlined in your issue of March 4 by Dr. Walter E Spahr of New York University.

Geo. A. Eastwood

Aside from military potentialities, inflation is the greatest peril faced by the American people. Inflation can come about insidiously and in guises which at first may make it acceptable to different groups in the body politic. For example, it is not easy to convince industry that it is inflationary to pierce the ceilings established to control the selling prices of products, and it is equally as difficult to convince millions of factory workers that the raising of wage levels is inflationary.

It seems obvious to me that our greatest danger lies in letting a multitude of seemingly unrelated and seemingly harmless factors add up to inflation.

Dr. Spahr's program, and particularly his first two proposals, offer a means to combat inflation, though I am not blind to the fact that the merit of his proposals will not be instantly apparent to those who think they stand to profit by such procedures as Dr. Spahr proposes to fight.

W. C. MAC FARLANE
President,
Minneapolis-Moline Power Implement Co.

I have read Dr. Spahr's article with a great deal of interest, and cannot help but agree with the doctor's contention.

W. C. MacFarlane

At the present time, practically everyone in the country is investing his savings in war bonds with present dollars, and I am sure that everyone, like myself, confidently expects the Government to repay us upon maturity with the same kind of dollars we are using to purchase these bonds.

If the bonds are paid off in terms of present dollars, of necessity the national debt will have to be paid off with the same kind—otherwise patriotism of present investors will be penalized drastically, whereas those few who are not investing in war bonds will profit in terms of inflated dollars.

Nearly all of the corporation and old-age benefits and retirement plans are based on present dollars; and, in many intances, are underwritten directly or indirectly by certain insurance company plans, also in terms of present-day dollars. It would be most unfortunate if far-sighted corporations, trying to take care of old and valued employees, would have their plans materially marked down by an inflated dollar, particularly when many of the plans are contributory.

What would become of the individual who spends all his life investing in annuities and endowment policies for his old age and then finds the dollar he ultimately gets is not the dollar he invested in preparing for his old-age security.

JAMES E. GOWEN
President, Girard Trust Company, Philadelphia

In my judgment the views expressed by Dr. Spahr are sound.

ARTHUR J. MORRIS
President, Fulton Trust Company of New York

I have read Dr. Spahr's article with a great deal of interest and I am in agreement with his explanation as to the necessary policies to be adopted in order to take care of the huge national debt. I believe his suggestion of consolidating the debt is something that will have to be considered but it remains to be seen at what figure that consolidation will be attempted.

Arthur J. Morris

CHARLES ENGELHARD
New York City

It is not the purpose of this letter to get into any controversy with Dr. Spahr and the economic program he has in mind as regards our national financial future.

Charles Engelhard

I only can speak from my own experience as a precious metals dealer—that I do believe that the gold and silver policies of our Government, including the Silver purchase Acts, have been **excellent,** and that these policies will form the very foundation of our own future as well as of the economic future of the world.

More than that, our present control of the gold and silver resources of the world will place the financial leadership of the world into the hands of the American Government for the next 50 or 100 years.

The price of gold had to be raised when it was raised by our great President for the simple reason that the gold supply of the world is naturally limited, and the gold mines are not getting any richer, but more gold was and will be essential in order to protect the currencies of the future.

As far as silver is concerned, silver is the gold of the more primitive nations like China and India, constituting within their borders about one-half the population of the world, and it is to our very interest that those nations should be lifted to a higher plane of living.

I do not favor bi-metallism, because there can be only one standard, and that is and will be gold, but silver, and the value of silver on a flexible price basis can and should be controlled by those who possess the gold, on the basis of three parts gold and one part silver, as provided for in the Silver Purchase Acts.

When the war stops, the whole world (with the possible exception of the United States and a few other countries) may be bankrupt, for the simple reason that they will be unable to pay their commercial balances in gold or silver, and must rely on barter only.

I contend that the barter business as introduced by Hitler into the present economic system of Europe, means slavery for the weaker partner, because, if balances cannot be paid in gold or silver, then the weaker partner is forced to accept goods from the stronger partner which he may not want, and which he does not need, and in this way he loses **His Economic Independence.**

I fully agree with the statement of Mr. W. L. Hemingway, President of the American Bankers Association, and President of the Mercantile-Commerce Bank and Trust Co. of St. Louis, Missouri, of which I enclose a copy. (Refers to address delivered by Mr. Hemingway before the Chamber of Commerce of the State of New York earlier this year, substance of which appeared in the "Chronicle" of Jan. 14, 1943.—Editor.)

I would suggest, however, if and whenever the United States will consent to make gold and silver loans to other nations when peace comes, that at the same time a bank for international settlements is created, either independently or as a department of the Federal Reserve Bank in New York, by which international balances are paid in gold or silver, for legitimate purposes, in New York, for

(Continued on page 1205)

DIVIDEND SHARES

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Investment Trusts

ONLY A ZEPHYR

This is the story of a squall that turned out to be only a gentle zephyr. It was reported here on March 11 that the short-term market trend indicator previously discussed in this column had turned down on Saturday, March 6. Last Friday, March 26, this indicator again turned upward, getting back in step with the longer-term indicator which has remained consistently upward since April of last year.

The action of the market during those 20 days could hardly be described as a setback; a period of hesitation would be more accurate. Such a mild correction, coming at the top of a virtually uninterrupted 10-month rise, is unusual and may be significant. For one thing, it would indicate that the underlying forces making for higher prices are far more powerful than is generally realized.

In this connection, the discussion in the March 25 issue of National Securities & Research Corp.'s **Investment Timing** is a valuable contribution to the subject. Entitled, "Indications Continue That the Bull Market Is Yet Young," the article concludes that we are now only at the end of the first phase of a normal 3-phase advance in security prices. Incidentally, that same issue contains the following forecast of the intermediate trend of stock prices:

"From Feb. 24 to the close yesterday (March 24) the hourly range of the Dow-Jones Industrial Stock Average had been only 2½ points (March 2, 12 noon, 128.33; March 12, 2 p.m., 130.95). During this period the lower level was approached three times and the upper level four times. And during this period of no progress, the volume was heavy. Until yesterday, the indications were that when a break out occurred, it would be through the lower level. But yesterday the complexion of the market underwent a complete change and today prices broke through the **upper** level in unmistakable manner. We must, therefore, take the view that higher prices will be seen before any serious setback occurs."

Investment Company Briefs

Distributors Group puts the analyst's pencil to the railroad situation and comes out with some startling figures. In its current issue of **Railroad News** this sponsor points to the $2,000,000,000 liquid resources of the railroads, an estimated $700,000,000 of which will be used to retire debt this year. Retirement will take place in the $5,000,000,000 par value longer term discount bonds. Knocking two ciphers off these figures, the comparison is reduced to a $50,000,000 bond issue with a $7,000,000 "sinking fund" for retirement purchases this year. "Where," asks Distributors Group, "will the railroads get this volume of bonds out of a market in which it is already more difficult to buy than to sell?" And "where will the market be when the $7,000,000 'sinking fund' buying is finished?"

* * *

The largest issue of Lord, Abbett's **Union Dealer** emphasizes the value of the non-taxable exchange feature of Union Trusteed Funds. To quote from the bulletin:

"A holder of any class of Union has the right to exchange his shares for those of any other Union Series on a basis which represents a discount from the public offering price. . . . As long as the investor continues his investment in Union, without interruption, the question of taxability of gain or loss does not arise, no matter how many times he exchanges one class for the other. . . . The real value of this feature is something beyond the dollars and cents of taxation: it enables him to make clear and unencumbered decisions, on investment judgment alone, without the old question of "How does this affect me taxwise?"

* * *

"Discount Bonds in a War Economy" is the title of the chart

(Continued on page 1203)

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We suggest the sale of
CITY OF PHILADELPHIA BONDS
Eligible under the Refunding Plan of 1942

to those who are not going to convert under the Plan because bonds optional up until April, 1946, figured to the optional period, show a minus or no yield basis, and the yields after 1946 compare unfavorably with other available issues.

The Refunding Plan expires May 1, 1943, and during the month of April the government will raise thirteen billion dollars by new government bonds.

The proceeds derived from the sale of Philadelphia bonds could be profitably and patriotically invested in this issue.

YARNALL & CO.
Philadelphia Phone 1528 WALNUT STREET New York Phone
Pennypacker 0300 PHILADELPHIA REctor 2-0790

Pennsylvania Brevities

U. G. I. Dismemberment

Into the spotlight last week came "when issued" trading in two new stocks of old-time, respected and popular **Philadelphia Electric Company**, soon to be revamped as an integrated, independent operating utility. At present 97% owned by **United Gas Improvement**, the new securities of PX are to be created and distributed as part of the Plan of Partial Dissolution ordered by S. E. C. for U. G. I.

Torch-lighted by **Yarnall & Co.**'s public offering of an unstated number of shares of **Philadelphia Electric** $1.00 Dividend Preference Common at 23½ and of the new common shares at 17½, traders nimbly conjectured the arbitrage possibilities of the two new isues coupled with what will be the locust-shell remnants of U. G. I. common after presently-planned distributions have been effected. The latter, already dubbed "U. G. I. Residual Certificates," embody the indeterminate value of what will be U. G. I.'s unliquidated assets. As such, they represent the "X" quantity in any contemplated arbitrage. Early trading was at $1.50 per Residual Certificate, although some of the estimates of value ran as high as $2.50, subject to the settlement of contingent claims.

The principal distributions follow:

The present issue of **Philadelphia Electric Company** 4.4% preferred stock will not be disturbed.

Each share of present **Philadelphia Electric** common stock will receive 9/40ths share of new $1.00 Dividend Preference Common Stock and 3 1/40ths share new Common Stock.

For each share of present United Gas Improvement $5 cumulative preferred, the basic rate of exchange shall be three shares **Philadelphia Electric** $1.00 Dividend Preference Common Stock and $40 in cash. Holders, however, may elect to accept more or fewer shares of **Philadelphia Electric** $1.00 stock, with a corresponding decrease or increase in the amount of cash. For this purpose, the value of the new $1.00 Dividend Preference Stock shall be taken at $20 per share under the Plan.

Under the initial distribution each share of U. G. I. common is to receive one-third share new **Philadelphia Electric** common, 1/12 share Public Service of New Jersey common and the "Residual Certificate" representing other remaining assets.

Special Meeting of the stockholders of U. G. I. and of **Philadelphia Electric** have been called for April 19 and May 19, respectively, to vote upon acceptance or rejection of the proposed plan. Approval by the equity holders of both companies is expected.

Meet The Misses

Despite a succession of million-share days, office managers are discovering that all is not beer and skittles on Walnut Street. With fewer hands to transact an increasing volume of business, executives are faced with a critical shortage of trained personnel. War industries, holding forth the bait of wage scales unknown in brokerage circles in the last decade, have drawn off many who would otherwise be available.

As in many other heretofore primarily masculine fields of endeavor, the ladies, bless 'em, are uncoifing their ears and bending into the head-sets. Some of the quick-firing femmes are well-known, long experienced and plenty wily. Others, more or less new to trading desk jargon, are displaying commendable progress and ability. As a matter of general information and guidance, Philadelphia's all-girl Choir of Comely Chiselettes is composed of (E. & O. E.):

Marguerite Campbell, A. C. Wood, Jr. & Co.; Ivy Conrad, Boenning & Co.; Helen Conway, Newburger & Hano; Elizabeth Farrell, E. H. Rollins & Sons; Katherine Gahagan, Reynolds & Co.; Sarah Lewis, Provident Trust Co.; Anne McDougal, Paine, Webber, Jackson & Curtis; Elizabeth Scott, Herbert H. Blizzard & Co.; Helen Smedley, Samuel K. Phillips & Co.; Hilda Williams, W. H. Bell & Co.; Marie Zerverski, Buckley Brothers.

Local interest is well maintained in the common stock of Philadelphia-financed **The Southern Advance Bag & Paper Co.**, one of the country's largest producers of kraft bags. Current dividend rate is $1.00 per share.

Company's raw materials are derived from 86,000 acres of timberland, owned in fee, located within 30 miles of the manufacturing plant at Hodge, La. Last year drillings were undertaken on certain of the Company's prop-

(Continued on page 1201)

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Pennsylvania Municipal Bonds

Commonwealth of Pennsylvania
Philadelphia's Voluntary Refunding

Pennsylvania, the "Keystone State," so-called from its geographical position in the center of the 13 original States on the Atlantic Seaboard, was founded as a colony by William Penn in 1681, under a proprietary charter by which the government and the land was vested in the founder. To attract settlers, Penn, himself a Quaker, appealed especially to that sect and other persecuted sects throughout England and Europe, promising them toleration of religion, a liberal frame of government and generous land grants. His policy was successful, and Pennsylvania soon became one of the most populous colonies.

Philadelphia, Pa., was the seat of the Continental Congress of 1775 and 1776 and the Constitutional Convention of 1787. Pennsylvania was the second State to ratify the Constitution and exercised great influence in the early history of the country through such leaders as Benjamin Franklin, Robert Morris and others.

During the Revolutionary War, Pennsylvania was the arsenal of the Colonies, turning out cannon balls for the Continental Army as well as many other implements of war. Today the Commonwealth of Pennsylvania is still one the leaders in industrial production for our nation and its Allies.

To many the name Pennsylvania, one of the foremost industrial and commercial States of the Union, connotes only coal, iron and steel, for upon these its industrial eminence has in large part been reared. But textile, cement, slate, electrical equipment, radios, locomotives, shipbuilding and many other industries, in addition to coal, iron and steel and their derivatives, constitute the State's principal manufacturing output, valued in recent years at upwards of $7,000,000,000 annually.

Pennsylvania leads all other States in the value of such mineral products as slate, cement and coal. (Speaking of coal, some of us probably remember back in May, 1902, the terrible Pennsylvania coal strike started, which lasted until Oct. 21 of the same year; how 145,000 anthracite coal miners stopped work, resulting in a coal famine; and how in July of the same year the Pennsylvania Militia was ordered to the mines. Oct. 3, 1902, President Theodore Roosevelt called a conference at Washington. The President demanded the parties concerned accept an extralegal commission appointed by him to make an award, by which both sides agree to abide, the miners meanwhile returning to work. Let's hope such a catastrophe never occurs again.)

Once the greatest agricultural colony, Pennsylvania's fertile farm lands are among the richest in the nation. Abundant crops of wheat, rye, potatoes and corn are yielded annually.

Pennsylvania, the second largest populated State in the Union, with its 10,000,000 people, must and does have as fine a transportation system as any State in the nation. There are approximately 12,000 miles of rail trackage belonging to many railroad companies. Its many thousands of miles of highways are not only of the best construction but are scenically beautified. The Commonwealth of Pennsylvania Turnpike is a motorist's dream come true.

Within the confines of the Commonwealth of Pennsylvania are many cities of national importance. However, the most outstanding, due probably to historic events, is the City of Philadelphia.

Philadelphia, the third largest of American cities, the nation's birthplace and its first citadel of high finance, is today a sprawling industrial giant that William Penn would never recognize as his "Greene Countrie Towne." The heights to which Philadelphia commerce and industry have risen in the last 250 years may be directly traced to the active experience gained by generation after generation of her people in the management of the city, and the promotion of its business affairs. Within its 130 square miles of territory the "City of Brotherly Love" embraces, as do all other large cities, a number of smaller communities, many of which were formerly independent and still possess their own shopping centers, business enterprises and distinctive characteristics.

The City of Philadelphia is an important seaport and distributing center, being located on the highly navigable Delaware River. The city is one of the world's greatest workshops. It contains

(Continued on page 1201)

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Pennsylvania Municipal Bonds

(Continued from page 1200)

over 4,500 separate manufacturing places, employing hundreds of thousands. Manufacturing is the chief industry, and includes textiles, metals, electrical supplies, chemicals and allied products, locomotives, airplanes, shipbuilding and various other industries. Because her industries cover a range of several hundred lines of employment, the city's prosperity does not depend upon mass production of a limited number of products, as in most great manufacturing centers.

One of Philadelphia's characteristics has been thrift, since the days when the founder strove to encourage that virtue among its inhabitants. In consequence, a host of prosperous and growing savings institutions has arisen.

The city owns and operates its waterworks system, sewage disposal plant, public market, shipping piers and airport. It also owns certain street railways and its gas works which are operated under lease agreement.

Excellent progress has been made in the last few years by the city toward a sound financial structure. For many years the budget of the city remained unbalanced. It was necessary to take drastic economic measures.

In May, 1939, the rentals of the municipally-owned gas works were assigned by the city to a trust for an initial period of 18 years. Against this $41,000,000 gas revenue trust certificates were issued. These funds enabled the city to balance the budget for the first time in years.

To keep this budget balanced it was necessary to find additional annual revenues. The angel this time came in the form of a gross income (wage) tax. On Jan. 1, 1940, a 1½% tax on wages, salaries and commissions and on profits of unincorporated businesses and professions became effective. The levy is specifically on earned income, exempting income from investment. Under the provisions of the measure, the tax is imposed on every person, without exception, whose livelihood is earned within the city limits. The tax also applies to every resident of Philadelphia who works for a living, practices a profession or operates an unincorporated business, whether it is in the city or not. The tax is collectible at the source, and employers are required to make payments monthly. This tax netted the city as follows:

1940	$16,283,820
1941	18,377,900
1942	24,762,041

This wage tax in 1942 was 27.76% of total current receipts. In December, 1942, the wage tax was reduced from 1½% to 1%, effective Jan. 1, 1943. The wage tax receipts for the first two months of 1943 total $3,758,380.

The outstanding economic measure taken was the large reduction in future debt service requirements. This was made possible by unique voluntary refunding plans.

1941 Refunding Plan—Bond Exchange Offer

On June 11, 1941, an offer was made by a banking group, comprising 39 investment firms and banks headed by Drexel & Co. and Lehman Bros., to holders of $131,064,000 bonds of the City of Philadelphia to exchange their bonds for a like amount of refunding bonds of 1941. These holdings consisted of bonds callable from 1942 to 1947. The maturity dates of the new bonds, except for one issue of $643,000, were shortened, and the new bonds were made callable at par after an interval of some years. The interest rates on the new bonds continued the same to the call dates on the old bonds but were reduced thereafter. Of the $131,064,000 refunding authorization, $83,389,200 or 63.6% had been exchanged at the termination of the refunding agreement on June 15, 1942. The approximate saving to the city by the 1941 refunding was estimated at $18,100,000.

Due to the success of the refunding plan of 1941, the group and the city entered into an agreement from which came the

City of Philadelphia Refunding Plan of 1942

On Nov. 16, 1942, Drexel & Co. and Lehman Bros., heading the same group of 39 investment firms and banks, made an offer of bond exchange under the 1942 refunding plan, as adopted by the Philadelphia City Council on Nov. 12, 1942, to holders of Philadelphia bonds.

The general features of this plan correspond with the 1941 plan. There are $204,411,500 outstanding bonds eligible for exchange, but the amount to be exchanged is limited to $162,296,000, and the opportunity to exchange will continue only so long as applicable refunding bonds of 1942 remain available for exchange. The outstanding bonds eligible for exchange are callable from 1944 to 1953, inclusive, and bear interest at rates ranging from 4% to 5%.

The new refunding bonds all bear interest at the rate of 3¼% from the first call date (old rate to the first call), and with the exception of one issue all mature either in 1965 or 1975 with various call dates according to the series. The holder making the exchange has a choice of bonds maturing in 1965 or 1975.

While call dates are being extended under this plan, the average final maturity is being materially shortened. Assuming the completion of the exchange, it is estimated that the total debt service savings will approximate $45,000,000, based on charges to the final maturity of both sets of obligations.

The agreement of the refunding plan of 1942 is effective to May 1, 1943, but may be extended by mutual consent.

At the current writing the exchanges amount to $36,200,000.

The holders of City of Philadelphia bonds, eligible under the refunding plan of 1942, who do not intend to exchange for the new 3¼% bonds, have advantageous opportunities due to the abnormal market conditions existing at this time.

Pennsylvania Brevities

(Continued from page 1200)

erties and two large gas wells were brought into production. Contracts have been let for drilling five additional locations.

The Absent "T" Returns

Tractions are again in favor. Grizzle-beards of the Bourse well recall the double-decade when street railway issues from Coffeyville to Chattanooga, from Baton Rouge to Buffalo, found their natural markets in Philadelphia. Again the pendulum swings. Partly attributable to the accelerated demands of war-time transportation, but probably due to a more fundamental and inevitable renaissance, the bright burgee of investor acceptance again flies above the course of the sleek, quiet, fast-moving city streamliners. The tractions are successfully meeting the challenge of the times.

Ending a 9-year task of unscrambling the tangled affairs of the old Mitten Empire, the courts have closed and sealed the book. Last month the new and resplendent successor, **Philadelphia Transportation Company,** declared a full year's dividend on its 5% Participating Preferred and Lazarused former equity holders with a 40-cent dividend on the common shares, the first distribution of its kind in 13 years. PTC's present contribution to the war effort is the daily operation of 3,264 cars and buses over a distance equal to 13 times around the earth.

Forward-looking local investors are eyeing with interest the 55 well-pied companies comprising the **Pittsburgh Railways Company** system. Thoroughly modernized and under unified operation and management, the system functions in an antiquated maze of intercompany ownerships, leases and sub-leases, operating agreements and guarantees, most of which are virtually meaningless. Operating under a Trusteeship since 1938, debt service is being maintained only on less than $3,000,000 outstanding Car Trust Certificates and $980,000 **Pittsburgh Railways 5s,** 1953, the latter being guaranteed by the **Philadelphia Company** by endorsement. Net earnings for 1942 approximated $4,200,000, before depreciation, and current earnings are reported to be running about $500,000 per month. Thus a large sum of cash, now exceeding $9,000,000, has accumulated in the Company's treasury. Since only a minority of outstanding securities are publicly held, holders of subsidiary issues believe they must receive (a) prior and favorable treatment in reorganization, (b) substantial payments on account of back interest and dividends, or (c) the right to tender their securities at satisfactory prices. Otherwise, they say, "No dice."

"Poor and Weary"

An amended plan of reorganization of the **Philadelphia & Western Railway Company,** long known as the "Poor & Weary," has been forwarded to the S. E. C. by U. S. District Judge William H. Kirkpatrick for an advisory report to be filed not later than May 18. Judge Kirkpatrick found the plan to be "worthy of consideration."

Under the plan, $2,000,000 of 5% preferred, par $50, and $745,000 of common, par $10, together with $1,165,000 of preferred arrearages, would receive consideration. The present outstanding issue of $2,267,000 5s, due 1960, would be replaced by $1,057,300 new income bonds and 10,573 shares of new, no par common in the ratio of $400 in new bonds and four shares of new common for each present $1,000 bond.

The Philadelphia & Western operates a high-speed interurban line from the 69th Street Terminal through Norristown to Allentown.

Philadelphia hotel and apartment house bonds have risen sharply from mid-December lows. Gains have ranged from 5 to 15 points, the best moves being noted in the larger parcels. Specialists believe strength is not due so much to the prospect of increased earnings as to the inclination of investors to turn to real property as an inflation hedge. This is borne out by the greater percentage increase in those issues which carry bonus stock.

Although **Autocar Company,** in 1942, reported sales of $63,391,799, doubling the $31,932,159 figure of 1941, and ended the year with a net profit of $1,551,803, the management finds that "doing business with the Government is necessarily very different from ordinary commercial contacts." Net results were equivalent to $3.35 per common share after provision of $160,000 for contingencies and $4,451,000 for Federal and State income and excess profits taxes and after paying the regular $3.00 preferred dividend and deducting the $3.00 per share maximum participation to which the preferred would be entitled. Also charged against income was $3,971,500, for which sum the Company is liable to the Government in respect to renegotiated contracts.

Early in the present year, arrangements were concluded for a $15,000,000 "V" loan to be drawn upon as needed to finance war contracts. The terms of the loan make it impossible to give consideration to common stock dividends until earnings for the first quarter are known. It is assumed in the Street that some action may be taken at a meeting scheduled for April 20. Last year **Autocar** common paid $2.00.

Loaded bases: **L. Wister Randolph, of Stroud & Co.,** is a member of the syndicate headed by William D. Cox which has concluded purchase of the Philadelphia National League Baseball Club.

Last month **Warner Company,** producers and distributors of sand, gravel, central-mix concrete, was reminded of an almost-forgotten sinking fund provision applicable to the outstanding 7% first preferred stock, dividends on which have been in arrears since 1936. Company promptly pro-

(Continued on page 1206)

City of Philadelphia and Pennsylvania Issues
General Market Municipals
Mgr. Municipal Dept.
ALFRED W. TRYDER
H.T. GREENWOOD & Co.
Members Philadelphia Stock Exchange
123 So. Broad St., Philadelphia
Telephone Rittenhouse 9555
Teletype PH 188

P-T-C Bonds - Scrip
Philadelphia Transportation Co.
Preferred
Bought—Sold—Quoted
KENNEDY AND CO.
Established 1923
Members Philadelphia Stock Exchange
Land Title Building
PHILADELPHIA, PA.
Telephone Rittenhouse 3940
Bell System Teletype PH 380

The Southern Advance Bag & Paper Co.
Common
Memorandum on Request
BOENNING & CO.
1606 Walnut St., Philadelphia
Pennypacker 8200 PH 30
Private Phone to N. Y. C.
COrtlandt 7-1202

Pennsylvania and New Jersey Municipal Bonds
Dolphin & Co., Inc.
Fidelity Philadelphia Trust Building
PHILADELPHIA
Telephones:
Philadelphia—Pennypacker 4646
New York—HAnover 2-9369
Bell System Teletype—PH 299

Trading Markets In
Insurance Company of North America
Camden Fire Insurance Association
Fire Association of Philadelphia
Reliance Insurance Co. of Phila.
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Established 1895
Geo. E. Snyder & Co.
Members Philadelphia Stock Exchange
N. Y. Tel. BOwling Green 9-5860
Bell System Teletype—PH 220

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Philadelphia Transportation Securities
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The Future Of The Gold Standard

(Continued from first page)

down and, likewise, in the belligerent countries, every other kind of monetary standard, and depreciated managed paper-money standards were almost universally adopted. With few exceptions (and these for brief periods) they were terrible failures, and, as soon as post-war reconstruction had moved substantially forward, the world began enthusiastically its trek back to the gold standard. By 1929 40-odd countries including most of the leading nations of the world were again on the gold basis.

During the decade of the twenties the economic and financial effects of the war, however, were very far from having been liquidated. Many countries found themselves in a state of great economic desequilibrium with their highly nationalistic economic reconstruction resting upon insecure foundations and with their government finances precarious.

In the year 1929, the civilized world was thrown into an economic crisis reaching to the foundations of its political and economic life and probably more extensive in scope than had ever before been experienced in recorded history.

Under the pressure of this crisis the recently and weakly reestablished gold standards again broke down throughout the world. Among the first to go were those of Australia and Argentine. Great Britain suspended gold payments in September, 1931, and this suspension was accompanied or quickly followed by a score of others, including those of Canada, the Scandinavian countries, India, Japan and Mexico. The United States broke in 1933 and France in 1936.

We in the United States were on a paper-money standard from early March 1933 until the end of January, 1934, when we adopted a new type of gold standard involving a 41% debasement in the gold content of our century-old legal gold monetary unit. The rather weak administrative type of gold standard we then set up still exists. This is the only monetary standard of consequence in the world at the present time that can be correctly called a gold standard. All other standards are paper-money standards.

So long as the War lasts no one expects much to be done in the direction of monetary reconstruction. If, however, we are to win the peace we must plan for it now, and one important problem in the world's post-war reconstruction will be the problem of the monetary standard. Broadly speaking, in the discussion of this problem there will be two different schools of thought each with many sub-divisions: (1) a managed paper-money school and (2) a gold-standard school.

The Paper-Money Standard School

The paper-money standard school will advocate a unit of value issued by some governmental monetary authority in a system in which the volume of money in circulation will be manipulated by this authority in accordance with the ups and downs of some commodity-price index number.

The primary object of this manipulation or currency management will be the maintenance within the country of a stable general price level. The type of standard advocated will be essentially national rather than international in character, and the functioning will be predominately one of human management rather than of automatic operation. Although a gold fund might be used by the monetary authorities, as an instrument of currency management, gold itself would not be the standard. Each country would have its own nationalistic paper-money standard tied up to the prices of commodities weighted according to the government's estimate of their relative importance in the nation's own economy. Under such a system there could obviously be little stability in the international exchanges. In each country exchange rates with other countries would have to shift largely for themselves. International exchange stability would be sacrificed in the effort to maintain a stable domestic price level.

The Gold-Standard School

The gold-standard school will advocate a system that is essentially international in character rather than national, a system in which the whole world would be expected to have the same monetary base—gold—and in which every country would enjoy a fixed par of exchange with every other country. While this school would expect to have some monetary management by the central banks of the respective countries, such management would play a minor role, and the operation of the system would be fundamentally automatic. Commodity price levels throughout the world, as in the past gold-standard era, would express the trend in the value of gold in the world's markets tending upward when the world's total supply of monetary gold relative to the demand rose and tending downward when it fell.

Which of these two monetary schools is likely to prevail during the period of monetary reconstruction following the war? The limits of this paper will prevent a discussion of the pros and cons of this question. I will limit myself, therefore, to stating very briefly the principal reasons why I believe the gold-standard school will prevail.

The Need of a Monetary Standard that will Inspire Public Confidence

The first important reason why the world will want to return to the historic gold standard rather than experiment further with managed paper-money standards is the matter of public confidence—an all important consideration in the determination of monetary policies. After this War, as was the case after World War I, the people everywhere will experience a strong desire for economic and political stability. They will be sick and tired of paper-money inflation and of governmental attempts to control prices and wages under inconvertible paper-money standards. In such a situation they will turn to gold which gave them the best monetary standard they ever knew in pre-war days, and which for countless generations has been the most exchangeable commodity in the world and also the commodity most highly prized by man as a storehouse of value. The instinct for gold is a very primitive one and has behind it the force of thousands of years of experience. Charles Dickens' phrase "as good as gold" means the very best the world over. No other monetary standard in a distracted world, such as we shall have at the close of the war, can be made so simply, so easily understood and none will so quickly restore the confidence of the public as a gold standard.

Resistance of Gold Standard to Fiscal and Political Exploitation

A second reason—one closely related to the first—is that the gold standard puts up much stronger resistances to fiscal and political exploitation than any non-metallic standard that has yet been devised. It is more automatic in its functioning than any paper-money standard with which the world has yet had experience and, when a breakdown is threatened, it is the standard that most promptly and clearly puts up danger signals. A gold standard may break under heavy strain, but paper-money standards subtly bend. And how they can bend!

Taking human nature as it is and politics as they are, any governmental body in a democracy that would try to control the nation's commodity price level in the manner contemplated by the advocates of highly managed paper-money standards would continually find itself under heavy political pressure. Under such pressure attempts at a scientific and objective administration of such a standard would frequently break up on the rocks of politics.

Recent history the world over is full of political movements for dangerous monetary schemes. Few countries in the world, however, if any, have been subjected to such a heavy bombardment of wild-eyed monetary schemes as the United States and many of these schemes have found their way on our statute books. Witness for example our greenback experiences of 1862 to 1879, our absurd silver legislation of the latter quarter of the nineteenth century, the large amount of radical monetary legislation of the years 1933-1934, including the so-called Thomas Amendment. Witness the recently wide acclaim by millions of our people of the monetary doctrines of Father Coughlin, including a petition by 85 Congressmen to the President of the United States asking him to appoint the pastor of the Shrine of the Little Flower to be economic adviser to the United States Delegates at the World Economic Conference in London. Witness the widespread advocacy at the present time of plans to finance the war largely through the issuance by the Government of circulating non-interest bearing government debt. There is fundamental truth in the old adage that "we have gold because we cannot trust the government."

Vested Interests of Principal United Nations in Gold

A third reason for returning to the international gold standard is the strong-vested interests which the three leading post-war nations will have in gold. By the end of the war most of the world's monetary gold will be owned by the United States, the British Empire and Russia, and within the territories of these three powers the great bulk of the world's gold production will be taking place. The monetary uses of gold will continue to constitute by far the greater part of the demand for the annual product of the gold mines and for the world's known stock of unfabricated gold. A discontinuance of the international gold standard involving a permanent withdrawal of most of the world's monetary demand for the yellow metal would greatly reduce the value

(Continued on page 1204)

Emanuel in New Location

Emanuel & Co., members of the New York Stock Exchange and New York Curb Exchange, announce the removal of their offices to 52 William Street, New York.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1197)

major ones. Even the various technical studies can, at best, indicate reaction, not their extent.

* * *

After the debacle of 1929 any number of people could tell they foresaw the break. But the fact was that while they may have foreseen it they did not know its extent. The writer, for example, went short of American Foreign Power at 197. He saw it go to almost 200, then turn down. The short position was finally covered at 160. Today everybody knows that AFW broke considerably more than that. I give this as an example, not as a demonstration of personal acumen.

* * *

Today, Wednesday, March 31, 1943, we see a market that is strong. We hear stories of such and such stocks going to fantastic figures and, to top it off, we see no reaction worth a comment in the immediate offing. It all looks so easy. Yet experience teaches there is nothing easy about the market. A one-point minor down flurry of today may easily turn into a major break of tomorrow. If there is any time for the new buyer to tread cautiously that time is today. And if there is any time when the holder of stocks is to give more than academic consideration to getting out and letting somebody else get the extra couple of points, that time is also today.

* * *

In going over the list recently I am impressed with the action of various stocks. If conditions were even slightly different I would not hesitate in recommending them to readers. But a certain cloudiness on the horizon prevents me from doing this. A single storm that would carry stocks even two points or so under present prices would help clear the air sufficiently for me to see something. Until this storm hits I'll have to continue advising to postpone new buying and repeat that the stops in the stocks you have still apply.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

The Securities Salesman's Corner

Tell Your Customers That No Security Should Be Put In A Lock Box And Forgotten

Sometimes we run up against the sort of securities buyer who expects the firm with whom he does business to be right 100% of the time. But he really is among the small minority of investors who feel this way. In fact, this type of person is usually a speculator at heart, and is the type of unfair individual whose apparent attitude would mark him as the type of customer a wise salesman would do well to overlook.

There are probably more salesmen who believe their customers expect them to be right in their recommendations 100% of the time than there are customers who feel this way. After all, the average person is a pretty level-headed, reasonable sort—securities buyers included. Most of us have taken losses as well as profits in our business transactions and, unless we have been unfairly treated, we know that losses go with profits and that it is our general batting average that counts.

For this reason it appears to be the best sort of salesmanship, if you are handling most securities with the exception of the very highest grade AAAs, that you tell your customer that you will be on the job after he has bought a security and that you will watch for any weaknesses that might appear later on which might adversely affect its value. There is no better type of salesmanship than honest facts which are backed up by a sincere interest in your client's welfare. What reasonable person would not be favorably impressed by the salesman who, after he had just received an order, would say: "I am glad you decided to purchase these bonds, Mr. Smith. In fact, I have every reason to believe that this is going to prove to be one of your most satisfactory investments. However, I feel certain that you are well aware that today no investment can be placed in your lock box and forgotten. For this reason I want to assure you that if at any time I should perceive a weakness that might develop in this security in the future I will call it to your attention. This is the way we can both work together to maintain your principal and your income. It is because I appreciate your business that I want you to have my full cooperation at all times."

There may be some who criticize the sales profession, who say that the average salesman is just out to put over a sale and that's the main end of his entire ambition. True enough, there are always those in every walk of life that will take a short cut to what they consider is the acme of success and accomplishment. Yet these critics, who usually are so quick to judge the man who goes out and makes his living by convincing his fellowman that he is offering something the other fellow could acquire to his best advantage—they are the ones who have probably had very little experience in the selling profession themselves.

The real salesman knows that there is only one way to build up a solid business. He knows that you have to really desire to help your fellowman—not harm him. Any securities salesman who works day in and day out diligently striving to help others invest their money safely and advantageously, does not have to worry about criticism—or about the certainty of his own bread and meat. He's too good a man to be bothered about inconsequentials—he is too busy doing a good job.

Investment Trusts

(Continued from page 1199)

featuring a recent issue of Keystone Corp.'s **Keystones.** The now familiar story of discount bonds and their advantages in an economy of high production and high taxes is briefly and clearly told.

* * *

From MIT's **Brevits:**

"Last week Boston Fund marked its 11th anniversary since the Fund began operations on March 15, 1932. During this time, the Fund has grown in size from a few thousand dollars to over $9,500,000. Shares outstanding have increased from the original shares owned by the founders of the Fund to 637,485 shares owned by some 4,000 shareholders, including many institutional and fiduciary investors."

* * *

From Selected Investments Co.'s **Selections:**

"A few days ago Selected American Shares, Inc., closed at $9.32. This was the highest price seen since the middle of November, 1940.

	Selected	Dow-Jones Industrials
Mar. 12, 1943	$9.32	$130.73
Nov. 15, 1940	9.30	135.59

* * *

Hare's, Ltd., establishes something of a record in the title to its new folder on bank stocks. Take a deep breath and try it yourself; here it is: "Stocks of the Leading New York Banks, in Which Bank Group Shares Provides Ownership, Appear to Offer Not Only a Very Sound, But What Should Prove an Unusually Profitable Investment, Around Current Market Prices." Judging from the smooth "copy" in the body of the folder, this title is no accident but a cleverly designed attention-getter.

* * *

Estabrook is out with a large and attractive four-page folder on Eaton & Howard Balanced Fund. Described as an "unique and constructive investment medium," the Fund is given brief "feature" treatment in the folder.

* * *

Broad Street Corp.'s current issue of the **Broad Street Letter** is featured by a chart comparison which was largely discontinued with the advent of wartime taxes. The comparison is between stock prices and industrial production. The disparity since 1939 in these once similar indexes is strikingly revealed by the chart.

Dividends

Fundamental Investors, Inc.—Quarterly dividend No. 37, amounting to 20 cents per share, payable April 15, 1943, to holders of record March 31.

General Investors Trust — A quarterly dividend of 6 cents per share payable April 20, 1943, to holders of record March 31.

Institutional Securities, Ltd.—A semi-annual cash distribution of 50 cents per Aviation Group Share, payable to stockholders of record April 30, 1943.

Manhattan Bond Fund, Inc.—Ordinary distribution No. 19, amounting to 11 cents per share and an extraordinary distribution amounting to 3 cents per share, payable April 15, 1943, to holders of record as of April 5.

Our Reporter's Report

(Continued from first page)

the latest possible date for exercise of the company's right to call the bonds at this time.

Since approval of the Interstate Commerce Commission must be obtained, this is considered another element which should hasten the company's decision if, as expected, it intends to go through with the refinancing now.

Public Service of New Hampshire

With respect to the public offering of $20,500,000 of first mortgage 30-year bonds of the Public Service Company of New Hampshire, it was estimated that the issue was something more than half-sold, with every indication that it would move along with a little more time. Priced at 108, the bonds, carrying a 3¼% coupon, offered an indicated yield of around 2.97% to maturity.

Hearing Set On Issue

April 15 has been set by the Securities and Exchange Commission as the date for hearing on the application of the Public Service Company of Indiana to sell publicly $38,000,000 of first mortgage bonds Series "E," carrying a 3¼% coupon, to mature in 1973.

If its program is approved the company plans to offer the bonds through competitive bidding and apply the proceeds to the redemption of an equivalent amount of Series "A" first mortgage bonds, due September, 1969, which carry a 4% rate.

The company has filed a request with the SEC for modification of certain provisions of the debt retirement program which the Federal Agency imposed a year ago, pointing out that the sinking fund provided for the new bonds would fill such requirements.

Thinking in Same Terms

Sale on Tuesday of $1,000,000 road bonds of the State of West Virginia provided an indication of how closely ideas of value parallel in the municipal field.

The bonds were awarded on a bid of par plus a premium of $60 for the issue bearing coupon rates of 1½ and 1¼%, making the net interest cost to the State 1.4803%.

The second bid worked out to an interest cost basis of 1.4804%, or brought down to a straight money basis, indicating a difference of $10 between the two bids on the overall transaction.

Puget Sound Power Waits

Marketing of Puget Sound Power & Light Company's $52,000,000 of refunding bonds, which had been expected yesterday, has been held up pending the outcome of hearings today before the Securities and Exchange Commission.

Offering of the bonds, under the SEC's competitive bidding rule, brought out a single tender by one of the largest underwriting groups ever formed to handle an issue. The syndicate, comprised of some 140 houses, bid 102.50 for the bonds as 4¼s and public offering was proposed at 104.25.

Company counsel asked for the hearing while SEC officials were reviewing the sale of the bonds to the banking syndicate. Bankers justified the spread between the purchase and resale prices by noting reported lack of institutional interest in the issue, presumably because of Federal power competition in its area and trend toward public ownership. Such circumstances, it was argued, make the deal a "selling job." Offering is now geared to clearance by the SEC which may hold it up until early next week.

We offer, subject:

$200,000

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3% Bonds—due Jan. 15, 1967

Price 100.75 and interest

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CANADIAN SECURITIES

By BRUCE WILLIAMS

Post-war social security planning has taken the spotlight in Canada today. Not to be outdone by Britain's Beveridge plan and our NRPB's "cradle-to-the-grave" blueprint for expanded social security, the Canadian Government now has under consideration its so-called Marsh plan.

Inasmuch as any such plan costs money and requires further extension of Government regulation over the life and property of the individual, it is important to note the broad provisions of the Marsh plan and the reaction of responsible Canadians to it. Moreover, such considerations should be made in the light of Canada's present economic position.

This position, as summarized by P. J. Philip of the New York "Times," is that of an autonomous country recently come of age and proudly living up to its obligations as an equal partner among the United Nations. "For Canada," writes Mr. Philips, "after three and a half years of effort, has reached what may be called her utmost possible contribution in men, munitions and food without serious disturbance of her internal economy and way of life. The main problem is how to keep everything balanced at its present peak."

To the Canadian people, proud of their newly won national status and straining under an all-out war effort, the Marsh plan offers the following: (1) A vast Government investment program for development of Canada's resources, "implemented in cooperation with the United States and the other members of the United Nations." (2) Expenditure of social security funds to iron out peaks and valleys in the business cycle. (3) Unemployment, old-age and health insurance covering substantially the entire population and handled by the Government. The plan is predicated on a national income approximately double that which prevailed in normal pre-war years. Its cost would quadruple the immediate pre-war tax load of the Canadian people.

Reactions to the plan reveal an assuring "feet-on-the-ground" attitude and a hard-headed discrimination between the utopian promises of politicians and the practical possibilities within the realm of social security. There is evidence, too, of an acute awareness of the costs involved.

Bruce Hutchison, writing in the current issue of "Maclean's Magazine," makes the wry observation that "pie in the sky has become practical politics in Canada." He goes on to say: "Altogether, a country which is going to depend for the prosperity of its people on gigantic state spending must be ready to depend on the state for almost complete management. Germany is the final example of such a system.

"The politicians do not usually tell us that. They tell us about the spending of money. They do not so often tell us about the restraints, restrictions and regimentation which must go with all-out spending. The outright socialist is more honest when he promises prosperity but admits that it means actual Government ownership of the productive machinery, that it means regulation of everything and everybody."

An editorial in the March 27 issue of the "Financial Post" of Canada sums the situation up as follows:

"Engulfed in the torrent of news and views about social security schemes for Britain, United States and Canada, many people are forgetting two basic facts:

"First, none of these plans is going to be implemented in a week or even in a year. They are so far-reaching and complex that they will require years to get into operation.

"Second, while most eyes are fixed on the benefits which these schemes will pay out, there is widespread blindness to the fact that the only source of that money is the pockets of Canadians.

"Talk about 'the employees' shares, the employers' share and the Government's share' obscures that fact. The Government has no money of its own whatever.

"And the only way Canadians, whether managers or workers, will have the money to make social security contributions is the health of the business system.

"The costs of an overall social security plan like that outlined by Dr. Marsh are some 12% of a national income which would be about twice as high as normal in prewar years.

"The only way a national income of that size can be maintained after the war is full employment. And the maintenance of full employment involves two basic things.

"It involves the mass of Canadians being united on that goal just as we are now united to achieve the goal of victory.

"Second, it involves letting the individual enterprise system operate properly. Some controls and regulations are essential. They protect business and society alike. But every impingement government makes in the field properly that of individual enterprise, weakens the ability of the business system to meet the challenge of full employment.

"The most Government should do is to create the climate favorable to the efficient operation of the business system.

"And the profit motive is the mainspring and engine of that system. It is only those businesses which make a profit that can stay in business and continue to employ Canadians; that can grow and employ more Canadians as they will have to do to give Canada the full employment which will bring overall social security plans into the realm of possibility."

Scudder Stevens Co. Admits Richardson

Scudder, Stevens & Clark announce the admission to general partnership of David L. Richardson who, for the past 14 years, has headed the consulting department of their New York office, 1 Wall Street. Mr. Richardson is a graduate of Harvard University, receiving an A. B. degree in 1920, as of the class of 1918, after serving in the 101st Field Artillery, 26th Division, A. E. F. He was associated from 1920 to 1928 in the capacity of purchasing agent successively with Lord Electric Company and McCall Corporation, before joining the investment counsel firm.

Robt. Huff In New York

Robert H. Huff, President of Butler-Huff & Co. of California, Los Angeles, traders and wholesale dealers in bank and insurance stocks, is in New York City for a week's stay. Mr. Huff may be reached at the office of Huff, Geyer & Hecht, Inc., 67 Wall Street.

The Future Of The Gold Standard

(Continued from page 1202)

of the gold holdings of these three countries and would play havoc with their gold mining industries. This may be a nationally selfish reason for the restoration of the gold standard, but it is none the less one that will probably count heavily in the determination of post-war monetary policy.

Gold Offers the Only Prospect for an International Standard

A fourth reason for a return to the gold standard is the simple fact that gold will offer for a long time to come the only early prospect of an international monetary standard on a large scale. If after the present war our wasteful economic nationalism is to be broken down, if we are to have an efficient system of international trade and finance and if we are to realize the dream of the Atlantic Charter, the leading countries of the world should all have the same monetary standard. For this important position the gold standard is the only candidate that has any chance of election. The world's great post-war monetary problem will not be the problem of creating scores of independent, nationalistic, and politically managed paper-money standards, but rather the problem of restoring the international gold standard and of making that standard a better standard.

This brief summary of the case for gold may be appropriately concluded by a quotation from the report of the famous McMillen Committee of eminent British financiers and economists, issued in the summer of 1931, only a few months before England's post-war gold standard broke down. The Committee said: "There is, perhaps, no more important object within the field of human technique than that the world as a whole should achieve a sound and scientific monetary system. But there can be little or no hope of progress at an early date for the monetary system of the world as a whole, except as the result of a process of evolution starting from the historic gold standard."

If after the War the world is to return to a gold standard, the next questions to consider are: What type of a gold standard should be adopted and what are the fundamental postulates of a sound gold-standard policy? The problems raised by these questions are large and it will be possible here merely to touch a few high spots.

Type of Post-War Gold Standard

The type of gold standard employed, as in the past, will vary with changing world economic conditions and with the situations within the respective countries.

Among the three principal types of the gold standard, the gold-coin standard, the gold-bullion standard and the gold-exchange standard, the gold-coin standard is the strongest and functionally the best, but it is also the most expensive. If a situation should develop in which gold production was falling off and the world's supply of monetary gold was lagging behind the world's demand, it would be desirable to economize the use of gold. This would dictate shifts from the gold-coin standard to the gold-bullion and gold-exchange standards. If on the other hand gold production should increase unduly with a resulting tendency to gold inflation, there should be shifts in the opposite direction, namely, toward the gold-coin standard, so as to increase the demand for gold. In general, the larger and richer countries would be expected to show preference for the gold-coin standard and the smaller and poorer ones for the gold-bullion standard or the even less expensive gold-exchange standard. A number of countries will doubtless as in the past prefer some combination of these types of gold standard, as for example, to make their non-gold currency convertible on demand **at the option of the monetary authorities** in either gold coin, gold bullion or gold drafts.

Implementation of International Gold Standard

Such considerations suggest the methods for implementing the international cooperation directed toward a successfully functioning post-war gold standard. To this end the following measures are desirable:

(1) Each country should choose a gold unit that will represent approximately the gold value of the paper unit prevailing at the time the stabilization is effected (or an integral multiple of that unit), so as to hold to a minimum the disturbances resulting from price, wage and fiscal readjustments.

(2) The exportation and importation of gold should be free from all trade restrictions and tariffs.

(3) There should be convertibility on demand of all kinds of non-gold money into gold coin, gold bars, or gold drafts.

(4) The principal monetary authority in each country should be a central bank of issue on whose controlling board the government should be well represented.

(5) There should be a close though largely informal and non-statutory cooperation among the central banks directed toward the orderly functioning of the international exchanges.

(6) There should be a bank of international settlements, through which the central banks can cooperate in collecting international credit, monetary and other financial statistics and effecting international settlements, and which when needed can take the leadership in measures to enable strong countries to help weak ones in the maintenance of their monetary standards.

(7) There should be a high degree of freedom in the international movement of goods and services. The gold standard can function over high tariff barriers, as it has many times in the past, but high tariff barriers are obstacles to international trade and to the smooth and orderly functioning of any monetary standard.

The popular idea is a fallacious one, that metallic-money standards like the gold or silver standard are entirely automatic in their operation, and that paper-money standards are entirely managed and not automatic at all. All monetary standards in modern times are more or less managed. It is not a question of the presence or absence of monetary management but rather of the extent and character of that management. With the gold standard the small amount of management that will be required should be imposed upon a monetary system that is fundamentally automatic in its functioning, and should be conducted according to certain established principles that will be accepted by the world's leading central banks under the authority of their respective

(Continued on page 1207)

TILO

TILO ROOFING COMPANY, INC.

STRATFORD, CONNECTICUT

Tilo Roofing Company, Inc. is one of the larger organizations engaged in the application of roofing and siding materials for the renovation, repair and maintenance of existing structures. Its business includes the manufacture of asphaltic and asbestos products used for these purposes and a woodworking division presently engaged in the prefabrication of defense housing. As of December 31, 1942, the company's consolidated balance sheet, as audited and presented in the company's annual report to stockholders, shows total assets of $4,374,650.41; total current assets of $3,745,007.66; total current liabilities of $1,445,018.26, and earned surplus of $1,285,641.58.

Condensed Consolidated Statement of Income Calendar Year 1942

Sales, including gross income from service fees on operations of subsidiary finance company	$4,112,110.23
Cost of sales, including branch office, selling, general expenses, financing charges on accounts assigned and provision for doubtful accounts	3,449,966.64
	662,143.59
Other income	45,081.93
	707,225.52
Other deductions	50,319.92
	656,905.60
Provision for federal taxes on income, including $91,000.00 for subsidiary companies	279,000.00
Net income	$ 377,905.60

Depreciation and amortization was provided during the year 1942 in the amount of $52,572.99 of which $24,821.32 was charged to costs and $27,751.67 was charged to other profit and loss accounts.

Record of Dollar Volume of Net Sales and Earnings

Year	Net Sales	Net Profit after Federal Taxes	Net Earned Per Common Share, Adjusted
1938	$4,050,931	$543,693.29	$1.25
1939	3,775,524	529,612.11	1.19
1940	4,018,167	526,225.91	1.08
1941	4,444,213	540,403.30	1.10
1942	4,112,110	377,905.60	.74

A copy of the Annual Report, which includes the financial statements of the Company, may be obtained upon request.

Program To Salvage Fiscal, Monetary Solvency

(Continued from page 1199)

account of foreign nations. In this way a control can be established concurrently over the actions of foreign nations, which will be better and cheaper than any military control of foreign States we can think of. In short, the money advanced by the United States could never be used for military purposes without our knowing it.

I could write further on the subject, but I can assure you that it would be the greatest economic error if the Silver Purchase Acts would ever be abandoned.

During the year 1900, the debts of all the countries in this world did not exceed $1,500,000,000. When this war ends, the debts of the world will reach perhaps $500,000,000,000, or more, which only could be redeemed over a long period of time, and under the condition that the gold standard is re-created, and silver, on a **Flexible** price basis, finds its place next to gold, as provided for in the American Silver Purchase Acts.

Before World War I, it was considered sufficient to protect any currency by 40% gold. Any new currency to be created after the war, should be good—at least in the case of the United States—when it is protected not by 40% gold, but by say 10% gold or silver, with the proviso that our national debt is reduced from year to year by certain **fixed** sums established by the Congress.

ALDEN ANDERSON

President, The Capital National Bank, Sacramento, California

I have read Doctor Spahr's article and would say that to my mind he states the matter concisely, plainly and correctly and I have no comments to make.

The only thing that I can figure is that the degree of whatever happens will be intensified or minimized according to the character and capability of the man who occupies the "White House" at that time and that, of course, assumes that if it is a man of financial sense and ability he will draw that character of men around him.

ROSCOE SEYBOLD

Vice-President and Comptroller, Westinghouse Electric & Manufacturing Co.

To my mind, point four of his four-point program is weak. To urge a permanent national debt as the ultimate solution of the debt problem will be comparable to a financial "Munich." We must plan to reduce the debt. A permanent debt would be permanent only until the public became used to the amount. It would then become commonplace and certainly would be raised in due time.

Roscoe Seybold

It seems to me that no solution to our problem of fiscal solvency can be presented without taking into consideration what the other leading war nations will be forced to do. For example, Russia and Germany were both defeated in World War I, both wiped the financial slate clean, yet both emerged as strong nations in twenty years' time. The problem confronting us, as I see it, is whether the U. S. A. can reduce its debt fast enough in the reconstruction period after the war to be in a position to compete with countries which will, of course, wipe the financial slate clean. This reduction, it would seem, should preferably take place during the time these "new" nations are getting on their feet.

A related question is the eventual size of the debt. It is probable that, when the war is over, we will have another "Victory Loan" and assist other countries to get on their feet so that they can start from scratch. Such a loan will, of course, defer our eventual debt reduction. Uncle Sam has a real problem to face and it will take a Calvin Coolidge economist to solve it. As I see it, we either reduce the debt—or else.

CHARLES F. CHUBB

President, The Dollar Savings Bank, Pittsburgh, Pa.

I have read with interest Dr. Spahr's article in the "Chronicle" of March 4, and am in entire accord with the purposes of his "Program to Salvage Fiscal and Monetary Solvency." There is, in my judgment, little question that further devaluation of the dollar, or depreciation of the currency, would be disastrous. It is not apparent, however, that it should be necessary to make our national debt, as it may stand at the end of the war, permanent, as suggested in Dr. Spahr's point No. 4.

On account of the probable size of the debt, the burden of interest alone will be heavy, and any rapid amortization of principal would probably not be practicable; however, it seems to me it would be better public policy gradually to reduce the principal of the debt, rather than to treat it as permanent. If this were done, it should strengthen the country's credit and prepare it better for facing some future emergency.

As an officer of a savings bank, I conceive it to be the obligation of savings banks, not only to return to their depositors the number of dollars to which they are legally entitled, but, so far as it is in the power of the banks, to see to it that those dollars have a value or purchasing power, as nearly as possible equal to that which they had when entrusted to the banks.

S. E. RAGLAND

Chairman of the Board, The First National Bank of Memphis

Dr. Spahr's article in the "Chronicle" is very good insofar as I can understand his statements. When he writes about a "permanent debt," I wonder if he means that the total debt after the war should be frozen. If so, I do not agree with him on that point.

Of course it is necessary to spend money—a lot of it—in order that we may win the war, and I think no loyal citizen of this country will object to that, but immediately after the fighting ceases steps should be taken to refund the debt on a basis from which at least a start should be made toward repayment, every bit of it, in honest dollars.

In this connection I would like to add one more Freedom to the four which have already been mentioned—that is, Freedom from Dishonor. I think the preservation of the freedom of America on the home front when the war is over will be second in importance only to the preservation of it from foreign aggression.

St. Paul & Western Pacific Decisions Interesting

An interesting resume of the St. Paul and Western Pacific decisions has been prepared by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies may be obtained by writing to Pflugfelder, Bampton & Rust.

Low-Priced Stocks On Cash Basis NYSE Rules

The Board of Governors of the New York Stock Exchange at its meeting on March 25 revised the general margin rule of the Exchange to provide that on and after April 1, purchases of securities selling below 5 may only be made on a cash basis, according to a statement issued March 26 by Emil Schram, President of the Stock Exchange. Customers who purchased such securities prior to April 1, 1943, will have until June 1, 1943, to make full cash payment, according to the announcement by Mr. Schram, which continued:

"A similar requirement with respect to stocks selling at less than $5 and bonds selling at less than 10% of face value was adopted by the Exchange on Aug. 2, 1933. It remained in effect until Oct. 3, 1933, when the requirement was cancelled so far as securities which were acceptable to banks as collateral in call loans were concerned. This condition was dropped when the margin requirements were revised on May 1, 1936.

"Many member firms of the Exchange already apply higher margin requirements to securities selling below 5 than are prescribed in either Regulation T of the Board of Governors of the Federal Reserve System, or hitherto by the Stock Exchange. The action of the Board of Governors of the Exchange will result in a uniform margin policy by member firms with respect to such securities.

"The revision in the general margin rule of the Exchange applies not only to public customers of member firms, but to individual members and allied members of the Exchange in their trading for their own account, with only one exception: In order that specialists may not be handicapped in endeavoring to meet their obligation to maintain orderly markets, the new requirement will not apply to them, insofar as the stocks in which they specialize are concerned."

Incident to Mr. Schram's announcement, John C. Korn, Acting Secretary of the Exchange, addressed the following notice to members on March 26:

The Board of Governors at a meeting on March 25, 1943, amended Paragraph (o) of Rule 550 by the addition of the following sentence:

"No value shall be allowed on any stock 'long' in the account which has a market value of less than $5 per share or on any bond 'long' in the account which has a market value of less than 5% of its principal amount, unless:

(1) the 'long' securities positions are offset and in an account to which the provisions of Paragraphs (d) or (e) apply, or

(2) the 'long' securities positions are in the account of a specialist on a national securities exchange and the transactions and securities therein are confined exclusively to those securities in which he is registered as a specialist."

The effective dates of this change shall be April 1, 1943, with respect to purchases or receipts effected on or after that date, and June 1, 1943, in the case of positions in securities which were purchased or received prior to April 1, 1943 (trade date). Any amount of margin which may be required at June 1, 1943, because of the effect of this ruling must be obtained as promptly thereafter as possible and in any event within a reasonable time.

Open Newburgh Office

Craigmyle, Pinney & Co., members of New York Stock Exchange, announce the opening of an office at Newburgh, New York, under the management of Mrs. J. Edward Powell.

*This is an announcement and is not to be construed as an offer to sell or as a solicitation of an offer to buy these securities.
The offering is made only by the Prospectus.*

$20,500,000

Public Service Company of New Hampshire

First Mortgage Bonds, Series A 3¼% due 1973

Dated January 1, 1943 Due January 1, 1973

Price 108% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned as are registered dealers and are offering these securities in compliance with the securities law in such State.

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH LADENBURG, THALMANN & CO. W. C. LANGLEY & CO.

BLAIR & CO., INC. OTIS & CO. (INCORPORATED) WERTHEIM & CO. R. W. PRESSPRICH & CO.

A. C. ALLYN AND COMPANY INCORPORATED BEAR, STEARNS & CO. EQUITABLE SECURITIES CORPORATION

GRAHAM, PARSONS & CO. NEWTON, ABBE & COMPANY HALLGARTEN & CO.

THE MILWAUKEE COMPANY STIFEL, NICOLAUS & COMPANY INCORPORATED FIELD, RICHARDS & CO.

A. G. BECKER & CO. INCORPORATED GREGORY & SON INCORPORATED

March 29, 1943.

Calendar of New Security Flotations

OFFERINGS

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

In an amendment the company fixes the amount of the proposed new issue of first mortgage bonds at $20,500,000 in place of $22,000,000 as originally filed. Company in amendment also revises its financial program so as to provide only for the issue and sale of the first mortgage bonds. The original plan provided also for the issue and sale of $2,500,000 of unsecured notes and the sale of 3,284 shares of its common stock to New England Public Service Co., parent company, at a price of $60 per share. The unsecured notes were to be sold privately. Proceeds from the sale of the first mortgage bonds which are to be sold at competitive bidding will be applied to redeem and retire company's presently outstanding bonds in the aggregate face amount of $18,929,000, pay its bank loans aggregating $1,000,000 and provide funds for working capital.

In an amendment filed March 11, 1943, the company states that on March 1, 1943, Public Service entered into a contract with the Twin State Gas & Electric Co. to acquire that company's properties, business and franchises in New Hampshire and Maine. Subject to approval of regulatory authorities having jurisdiction and to the terms and conditions of such contract, the company now contemplates financing such acquisition through the issuance of $1,000,000 of additional first mortgage bonds, Series A 3¼% due 1973, and $3,000,000 of unsecured notes maturing serially in amounts of $150,000 semi-annually from the date of issue. It is expected that such acquisition and the related securities issues will be consummated before July of this year. In a separate petition company said these securities would be sold privately to a limited number of financial institutions.

Registration statement effective 5:30 p.m. (EWT) on March 19, 1943.

Awarded March 26, 1943, to Halsey Stuart & Co., Inc., and associates on bid of 107.1579.

Offered March 29 by Halsey Stuart & Co., Inc., and associates at 108 and interest.

WELSBACH ENGINEERING & MANAGEMENT CORP.

Welsbach Engineering & Management Corp. has filed a registration statement with the SEC for $493,000 collateral trust 5% ten-year sinking fund bonds.

Address—1500 Walnut St., Phila., Pa.

Business—Registrant is a holding and managing company which owns all the stock and manages its subsidiaries. These subsidiaries, in part, are engaged in the installation and maintenance of street lighting systems, gas or electric, in approximately 37 cities and communities in New England, Middle Atlantic and Mid-Western States, and in general electric construction work.

Underwriting—Barrett Herrick & Co., Inc., New York City, is named principal underwriter.

Offering—Bonds are to be offered to the public at 83% plus accrued interest from Jan. 1, 1943, to date of delivery.

Proceeds—The estimated proceeds from the sale of the bonds, after deducting underwriting commissions and expenses, will be $345,100. At present the corporation has outstanding $493,000 face amount of 6% collateral trust sinking fund bonds, all of which are held by the United Gas Improvement Co. The UGI has granted Welsbach an option to purchase all of said outstanding bonds exercisable on or before May 15, 1943, for the sum of $345,100 with interest from Jan. 1, 1943. The estimated net proceeds resulting from the sale of the bonds now being registered will be applied to the exercise of this option.

Registration Statement No. 2-5099. Form A-2 (2-20-43).

Registration statement effective 5:30 p.m. (EWT) on March 20, 1943.

Offered—March 26, 1943 at 83 and int. by Barrett Herrick & Co., Inc.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

TUESDAY, APRIL 6

HEYDEN CHEMICAL CORPORATION

Heyden Chemical Corporation has filed a registration statement for 40,000 shares of cumulative preferred stock, series A, $100 par value. The dividend rate will be supplied by amendment.

Address—50 Union Square, N. Y. City.

Business—Company is engaged in the manufacture and sale of synthetic organic chemicals for industrial and medicinal uses.

Underwriting—A. G. Becker & Co., Inc., New York, is named principal underwriter. Others are to be supplied by amendment.

Offering—Price to public, plus accrued dividends from March 1, 1943, to date of delivery, is to be filed by amendment.

Proceeds—Of the net proceeds, $2,037,000 will be applied towards the redemption at $105 per share, plus accrued dividends, of all of the outstanding 19,400 shares of 4¼% cumulative preference stock of the company. All shares of 4¼% preference stock so redeemed will be retired and will not be reissued. The balance of net proceeds will be added to working capital. The company requires such additional working capital in order to finance the increased inventories and accounts receivable resulting from its presently increased business and expanded operations.

Registration Statement No. 2-5108. Form S-1. (2-18-43).

MONDAY, APRIL 12

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

WEDNESDAY, APRIL 14

AMERICAN CASUALTY CO. OF READING, PA.

American Casualty Co. of Reading, Pa., has filed a registration statement for 50,000 shares of capital stock, par value $5 per share.

Address—607 Washington St., Reading, Pennsylvania.

Business—Conducts general casualty insurance business.

Offering—The shares of common stock are being offered at $10 per share by the company to its stockholders of record April 15, 1943, in the ratio of one new share for each three shares held on record date. The right to subscribe on the part of the stockholders will expire May 15, 1943.

Underwriting—In the event that all of the stock is not subscribed for by stockholders, the company may endeavor to make an offering to the general public through underwriters.

Proceeds—Proceeds are to be used to increase the capital and surplus of the company to enable it to retain a larger portion of its standard limit business without resorting to reinsurance. Net proceeds will be used for the purchase of securities which are qualified as legal investment for insurance companies organized under the laws of the Commonwealth of Pennsylvania.

Registration Statement No. 2-5114. Form S-1 (3-26-43).

THURSDAY, APRIL 15

WILSON & CO., INC.

Wilson & Co., Inc., have filed a registration statement for $20,000,000 first mortgage bonds, 3% series, dated April 1, 1943, due April 1, 1958.

Address—4100 South Ashland Avenue, Chicago, Ill.

Business—Engaged in what is commonly called the meat packing business, which consists of buying, slaughtering and dressing live stock, and processing and selling meats, meat food products and related products.

Underwriting—Underwriters are: Smith, Barney & Co., $2,500,000; Glore, Forgan & Co., $2,500,000; A. C. Allyn & Co., Inc., $250,000; Bacon, Whipple & Co., $150,000; A. G. Becker & Co., Inc., $400,000; Blair & Co., Inc., $500,000; Blair, Bonner & Co., $150,000; Blyth & Co., Inc., $1,000,000; Central Republic Co., Inc., $300,000; E. W. Clark & Co., $150,000; J. M. Dain & Co., $100,000; Farwell, Chapman & Co., $100,000; First Boston Corp., $1,000,000; Goldman, Sachs & Co., $650,000; Hallgarten & Co., $1,000,000; Harriman Ripley & Co., Inc., $1,000,000; Harris, Hall & Co., Inc., $400,000; Hemphill, Noyes & Co., $350,000; Henry Herrman & Co., $100,000; Hornblower & Weeks, $500,000; Illinois Co. of Chicago, $150,000; Janney & Co., $150,000; Kalman & Co., Inc., $100,000; Kebbon, McCormick & Co., $150,000; Lazard Freres & Co., $500,000; Lee Higginson Corp., $500,000; Lehman Brothers, $1,000,000; Mellon Securities Corp., $1,000,000; Milwaukee Co., $200,000; F. S. Moseley & Co., $300,000; Newhard, Cook & Co., $100,000; Piper, Jaffray & Hopwood, $100,000; Stern Brothers & Co., $150,000; Stone & Webster and Blodget, Inc., $500,000; Stroud & Co., Inc., $150,000; Swiss American Corp., $300,000; G. H. Walker & Co., $200,000; White, Weld & Co., $350,000; Wisconsin Co., $500,000; Dean Witter & Co., $350,000 and Yarnall & Co., $150,000.

Offering—Price to the public will be supplied by amendment.

Proceeds—Proceeds from the sale, together with general funds of the company, are to be applied not later than June 1, 1943, to the redemption of the $16,390,000 face amount of outstanding first mortgage 20-year bonds, series A, 4% due July 15, 1955, at 104% plus accrued interest, and to the redemption of $4,165,000 face amount of outstanding convertible 3¾% debentures, due April 1, 1947, at 102% plus interest. Of the debentures $907,350 now are on deposit in the sinking fund.

Registration Statement No. 2-5115. Form S-1 (3-27-43).

SUNDAY, APRIL 18

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. has filed a statement with the SEC for 242,664 shares of common stock, without nominal or par value. The stock is already issued and outstanding.

Address—900 Fannin St., Houston, Tex.

Business—Operating public utility.

Offering—Price to the public to be supplied by amendment.

Underwriting—The shares to be offered are owned by National Power & Light Co. Statement which was filed by Houston says that latter has been advised by National that no firm commitment to purchase the securities registered has been made.

Proceeds—Proceeds from sales will go to National Power & Light Co. The proposed sale is part of the program of National to liquidate in compliance with an order of the Securities and Exchange Commission. As part of this program National proposed to divest itself of its entire holdings of Houston common through the exchange of its holdings of Houston common for its own $6 preferred on basis of two shares of Houston common for one share of National preferred. The total amount of Houston common offered was 500,000 shares, of which 257,336 shares were accepted in exchange to Dec. 31, 1942, termination of the offer. The stock being registered represents the balance of National's holdings after the termination of the exchange offer.

Registration Statement No. 2-5117. Form A-2 (3-30-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11(e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

The company on Feb. 16, 1943, filed with the SEC amendments to its plan of recapitalization and refinancing making changes in the voting positions of the new stocks and providing for bank loans as a part of the financing instead of short term debentures.

Under the voting change the new common stock is to receive five votes a share instead of the one previously alloted. The voting power of the first preferred will be returned to one vote a share instead of the two granted originally.

The refinancing plan has been modified to substitute $6,500,000 of 3⅛% five year bank loans in place of $8,000,000 of nine year debentures. The plan to sell $52,000,000 of first mortgage bonds remains unchanged.

The bank loans would be eliminated March, 1948, under a plan calling for a $1,000,000 reduction on Sept. 1, this year; $1,000,000 on March 1, 1944, and $562,500 semi-annually until March 1, 1948.

The changes in the voting powers of the preferred and common stocks were made to meet objections of the SEC which felt under the original plan the preferred had been given excessive voting power.

The Chase National Bank will take $3,000,000 of the proposed bank loans; the Harris Trust & Savings Bank $1,000,000 and nine Seattle banks the balance.

The SEC on March 16, 1943, approved the company's refinancing program.

Amendment filed March 10, 1943, to defer effective date.

Registration effective 3:30 p.m. (EWT) on March 16, 1943, as of 5:30 p.m. (EWT) Jan. 16, 1943.

Stone & Webster and Blodget, Inc., Lehman Brothers, Halsey, Stuart & Co., Inc., and associates, on March 29, 1943, bid 102.05 for the issue, as 4½s, this being the only bid submitted.

(This list is incomplete this week)

Pennsylvania Brevities

(Continued from page 1201)

duced $76,585, derived from 1941 earnings and years prior thereto, operated the fund and retired approximately 2,000 shares of stock. It is provided that the fund shall consist of 5% of annual net earnings not to exceed $50,000 in any one year. Another fund, based on 1942 results, will operate later in the year.

N. W. Ayer & Son announces the appointment of Granville E. Toogood as vice president and assistant to the president. He has been with the Ayer firm since 1925. Prior to that time he was a Philadelphia newspaperman. You take it from there.

The **Edward G. Budd Manufacturing Company** has completed arrangements for refunding outstanding indebtedness by means of a $12,000,000 5-year sinking fund loan. After paying off present loans, additional working capital will be available for the Company's expanding business.

Participating in the credit are a group of Philadelphia and New York banks, several insurance companies and the **Reconstruction Finance Corporation. Ladenburg, Thalmann & Co.** and **White, Weld & Co.** negotiated the proceedings.

Strawbridge & Clothier, Philadelphia department store company with successful branches in Ardmore and Jenkintown, reports income for the fiscal year, before taxes, of $3,189,342, a gain of $1,029,864 over the preceding fiscal year. Net after taxes declined from $1,014,478 to $849,342.

A refinancing plan has been approved whereby the first mortgage 5s, 1948, were called at 101, to be replaced by a 4% $7,000,000 mortgage. All officers and directors were re-elected.

Now Weeks & Co.

PHILADELPHIA, PA. — Effective today, Henry C. Weeks, member of the Philadelphia Stock Exchange, is forming Weeks & Co. in partnership with M. A. Weeks. Offices of the firm will be located at 1411 Walnut Street. Mr. Weeks was formerly active as an individual Exchange member.

Now T. A. Richardson Co.

TORONTO, ONT., CANADA—F. O'Hearn & Co., 11 King Street, West, members of the Toronto Stock Exchange and Montreal Curb Market, announce a change in their firm name to T. A. Richardson & Co. Partners of the firm are T. A. Richardson, A. Gardner, H. C. Shields, P. H. Douglas, G. A. Richardson, and V. J. McLellan.

Struthers & Dean To Admit W. L. Linton

Walter L. Linton today becomes a partner in Struthers & Dean, 40 Wall Street, New York City, members of the New York Stock and Curb Exchanges.

As of today Howard B. Dean, general partner, becomes a limited partner in the firm.

Hooker Electrochemical Situation Attractive

The current situation in Hooker Electrochemical Co. offers attractive possibilities, according to a memorandum issued by Hughes & Treat, 40 Wall Street, New York City. Copies of this interesting memorandum may be had from the firm upon request.

L. H. Rothchild Moves

L. H. Rothchild & Co. announce the removal of their offices to 120 Broadway, New York City. The firm's phone number is now Cortlandt 7-0136.

The Future Of The Gold Standard

(Continued from page 1204)

governments. It is these institutions, as long experience has clearly demonstrated, rather than governments themselves, that are best qualified to give the limited amount of monetary management that is needed.

Will An International Gold Standard Be Possible After the War?

It is often argued that after the War most nations will be too poor to obtain the gold required to reestablish the gold standard and, in case they should be able to get it, would be unable to retain it because it would be drained from them by an unfavorable trade balance. This idea I believe is in conflict with the experience of scores of gold-standard countries prior to World War I and likewise to involve a fallacious interpretation of monetary principles.

Gold, like every other commodity, tends to move from the place where it is cheap to the place where it is dear; in other words, to seek the best market. Any nation can have the amount of gold needed to enable it to maintain a gold standard if it is willing to pay the market price for the gold. A nation that exports goods and services "to abroad" obtains foreign credits abroad to the value of these exports, against which it can draw for any goods or services saleable abroad that it may wish to buy at current market prices. This applies to gold as well as to any other commodity. Of course to the extent that a nation draws against its foreign credits for the purchase of gold it cannot use them for the purchase of something else. It cannot have its cake and eat it too. If it wants gold, however, and is willing to pay the market price for it, it can have it. And if a nation has gold it can keep it just as it can keep a supply of any other commodity which it has purchased abroad or produced at home, **provided** it is willing "to pay the price."

When a country is unduly depleted of its gold reserves, it is usually because the country pushes its gold out rather than because foreign countries are pulling it out. The country pushes out the gold by making it relatively cheap at home as compared to abroad, which it usually does by inflating its circulation of paper money and deposit currency for fiscal purposes, namely, to finance an unbalanced budget. A nation that lives within its means and follows sound monetary policies will normally have no trouble in maintaining a gold standard.

At the end of the present war it will be to the interest of the United States as well as of the rest of the world to reestablish the international gold standard. This country will then own the great bulk of the world's monetary gold, and we will be glad to sell our excess supply on very attractive terms to other countries that desire to return to the gold basis.

The CHRONICLE invites the comments of its readers on the views expressed by Dr. Kemmerer, or on any related phases of the subject under discussion.—Editor.

Municipal News & Notes

Rejecting centralization of taxing power in the Federal Government as a solution to the problem of overlapping Federal, State and local taxation, the Committee on Inter-Governmental Fiscal Relations after two years of study has recommended "coordination and cooperation" to Secretary Morgenthau as the preferable approach.

The six-volume report, made public March 30, has been submitted to President Roosevelt, the Governors of the States and to members of the Senate Finance and House Ways and Means Committees by Secretary Morgenthau, who appointed the Committee in 1941.

"A change of attitude of revolutionary proportions seems to be needed," said the report.

It deplored the "complicated, highly diverse, highly arbitrary system of business taxation, with its high cost of compliance, capricious and extraterritorial incidence, and uncertain economic effects," even questioning whether business should be taxed as such at all. Business taxes, it said, should be "deemphasized."

There had been considerable expectation that the Committee might, in view of Canada's recent centralization of many taxing powers in the Dominion Government, recommend exclusive bestowal of income-tax powers upon the Federal Government. On the contrary, the only tax recommended to be collected solely by the Federal Government was the tobacco tax. The revenue from it would then be distributed among the States on a proportional basis.

"The united and uniform fiscal system of which some administrators dream is possible only in a unitary state," the Committee stated. "The best can be achieved in a Federal-State is a working compromise, even as the Federal-State itself is in origin a compromise."

Major recommendations included the following:

1. Relaxing emphasis upon business taxes: "Private enterprise should be encouraged, not hampered, in carrying as large a share of the future of the economic load as its performance will justify." Federal incorporation of interstate corporations was recommended in this connection.

2. **Remodeling of the real estate tax "It is recommended that major attention be given to a reorganization of the sources of local revenue, particularly city revenue. This, in our opinion, calls for a bold attack and some fundamental changes in a time-honored institution—the general property tax." This would involve shifting the emphasis of the land tax to ability to pay, from "real estate to current income," and brought such suggestions from the Committee as a tax on landlords for local improvements, and a tax from tenants on "their rental value of occupance." Unused properties might be exempt.**

3. Coordination of Federal and State income taxation: "Coordination in Federal and State income taxation is of first-rate importance, for it is in this form that multiple taxation (threatened and perhaps actual), interstate migration and high compliance costs are particularly prominent." The report pointed to such possibilities as joint State-Federal return, joint audits, joint use of personnel and more uniform laws.

4. **Gasoline taxes: Eventually the States might receive exclusive right to tax gasoline for highway use; the Federal Government to tax it for aviation use.**

Detroit Debt Study Reflects Sound Fiscal Basis

That the City of Detroit merits its present high credit status is amply evidenced in the study just issued by the Chemical Bank & Trust Co., New York, under the heading: "A Brief Analysis of Credit Factors of the City of Detroit." Examination of this interesting statement discloses that the city has reduced its net debt by more than $67,000,000, or 17.8%, since 1933. In addition, the cumulative operating deficit of $21,669,932 which existed on June 30 of that year has been completely eliminated and, according to estimates by municipal officials, the city will enjoy a $2,000,000 operating surplus at June 30 of the present year.

The report also discloses the steady improvement in current tax collections by the city since 1933. By way of comparison, it is noted that over 95% of the 1941-42 levy of $68,977,224 was collected on June 30, 1942, as against only 65% of the 1932-33 levy of $72,632,991 on June 30, 1933.

Although debt reduction has been the keynote of the city's fiscal policy for many years, this has been accompanied by substantial capital improvements, all of which was financed without increasing the net debt. Moreover, the city's share of relief expenditures has been financed without issuing bonds, an accomplishment noteworthy in itself.

In making available copies of the analysis, Emil C. Williams, Vice-President of the Chemical Bank & Trust Co., makes the following comment:

"Since the basis of credit is ability and willingness to pay, the enclosed analysis demonstrates by actual performance that city's recognition of these basic principles. Furthermore, the constructive program adopted by the present administration clearly indicates a strong desire to constantly improve Detroit's credit. The declared intention to operate on a cash basis, to finance capital improvements out of current income, plus the schedule of substantial debt retirement over the next 10 years and the many other encouraging steps taken should materially enhance the investment quality of the City of Detroit bonds."

Chase National Bank Buys $10,660,000 N. Y. City's

The Chase National Bank of New York, acting alone, was the successful bidder for the $10,660,000 New York City 3% assessment bonds offered for sale yesterday. The bank paid a price of 104.5059 for the bonds, a net interest cost of about 1.41%, and re-offered them to the public at prices to yield from 0.60% to 1.75%, according to maturity. The bonds are due serially from 1944 to 1948 incl. and were held in the city's sinking funds. Second high bidder was C. J. Devine & Co., New York, which bid a price of 104.223, while Goldman, Sachs & Co., New York, was third in line, with an offer of 104.205.

Major Sales Scheduled

The calendar of future offerings of $500,000 or more is, at this writing, limited to only one item. However, the current dearth of potential business probably is not an unmixed blessing, as the floating supply of bonds overhanging the market is rather large at this time and dealers will, accordingly, be able to devote increased attention to distribution of existing stock.

April 6

$800,000 Central Peoples' Utility District, Lincoln County, Ore.

Offers Possibilities

Chicago & North Western first and refunding 4½s and 5s, 2037, offer attractive possibilities according to a circular just issued by McLaughlin, Baird & Reuss, 1 Wall Street, New York City, members of the New York Stock Exchange. Copies of this interesting circular may be had upon request from the firm.

Insurance Stock Earnings

An interesting bulletin on 1942 earnings and statistical comparison of insurance stocks has just been issued by Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange. Copies of this bulletin are available on request from Laird, Bissell & Meeds.

G. G. Paton Elected

At the annual meeting of the stockholders of American Foreign Investing Corporation, George Gordon Paton was elected a director. Mr. Paton is Executive Vice-President of Commodities Research Bureau and a consultant to the Office of Price Administration at Washington.

This is an announcement and is not to be construed as an offer to sell or as a solicitation of an offer to buy the securities herein mentioned. The offering is made only by the Offering Circular.

$10,000,000

Erie Railroad Company

3⅛% Secured Serial Notes

To be due $500,000 on each March 15 from 1944 to and including 1952 and $5,500,000 on March 15, 1953.

These Notes will be secured initially by $12,500,000 principal amount of Erie Railroad Company First Consolidated Mortgage 4% Bonds, Series B, due January 1, 1995. The Indenture will provide that, as Notes are retired, collateral shall be released ratably, so that outstanding Notes will at all times be secured by 125% in principal amount of pledged Bonds.

MATURITIES AND YIELDS

1944	1.00%	1947	2.00%	1951	2.80%
1945	1.40	1948	2.25	1952	2.95
1946	1.75	1949	2.45	1953	3.15
		1950	2.65		

The issuance and sale of these Notes are subject to authorization by the Interstate Commerce Commission. The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the undersigned as are registered dealers and are offering these securities in compliance with the securities law in such State.

HALSEY, STUART & CO. INC.

OTIS & CO.
(INCORPORATED)

To be dated March 15, 1943. Principal and semi-annual interest (March 15 and September 15) payable in New York. Definitive Notes in coupon form in the denomination of $1,000, and in fully registered form in the denomination of $1,000 and authorized multiples thereof. Notes due 1944-52 not redeemable prior to maturity. Notes due 1953 redeemable at the option of the Company, as a whole or in part, upon thirty days' published notice if redeemed on an interest date and sixty days' published notice if redeemed on any other date, at 102½% on March 15, 1944 and thereafter at prices reduced ¼% for each subsequent twelve months period or part thereof; plus in each instance accrued interest to date of redemption. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

March 26, 1943.

HAnover 2-0050 Teletype—N. Y. 1-971
Firm Trading Markets
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Our Reporter On "Governments"

(Continued from page 1196)

one nationally-known authority on the subject even believes that the chances are highly against any revision of the status of new issues of municipals. . . . His idea is that future issues of municipal and State bonds are safe from tax changes—and he doesn't even question the position of bonds already out. . . .

As for the supply, obviously tax-exempts are moving out of existence month by month. . . . And, again, as for the supply, obviously most major holders of tax-exempts without any need for the privilege already have switched from these into taxables in order to get the higher yields and benefit from the better marketability of new taxable Governments. . . .

The best bonds to buy, according to informed sources, are the longest-terms. . . . The last four issues out might be the most favored in any market advance, it is believed. . . .

Reasons here are these:

(1) The longest-maturity issues will be out the longest time and, therefore, when you buy them you may consider your tax-exemption safe for a period of years rather than months. . . . And you can base your tax calculations accordingly. . . .

(2) The longest-maturity issues are closest to par, and in any market decline these will be in the least vulnerable position. . . . They can fall least, and they will fall least. . . . In addition, should all our estimates go wrong and should some change be engineered in the status of tax-exempts, the longest-terms will fall least to get into position and relation with the taxables. . . .

The 2⅞s of 1960/55, selling at 109.11, appear a highly attractive issue at the moment. . . . They wouldn't have to fall far to get entirely into line with taxables. . . . They could go up to 115, according to one dealer whose forecasts are respected throughout the country. . . .

INSIDE THE MARKET

Best opinion on the new issues at the moment is that ½-point premium will appear on both. . . . The 2s, it is said, may be considered worth "three months' interest," or about 15/32, after the deal is over and trading is begun. . . . The 2½s should get up to ½ point in a few months, maybe reach 100.20 by summer. . . . Premiums are large enough to assure completely successful deal. . . .

Informed estimates on total that will be raised range from $15,000,000,000 to $16,000,000,000. . . . No doubt about surpassing of the officially stated goal of $13,000,000,000. . . . Goal was set at that figure to make sure it would be over-reached and thus there would be no unfavorable comparisons with the December deal. . . .

One source suggests sale of the 1958/56 bonds, purchase of the 2¾s of 1959/56 and sale of mid-50 maturities and purchase of the 2⅞s. . . . Tax-exemption angle showing here, of course. . . .

Government market generally acting well, strong, giving every sign of perfect condition for new issue. . . . Insurance company new investments are down to a minimum as buyers await April 12 to build up their portfolios. . . .

Geraghty Of SEC Warns Dealers Not To Destroy Bright Future Of Investment Business

John B. Geraghty, Denver Regional Administrator of the Securities and Exchange Commission, in an address before the joint dinner given by the Investment Bankers Association and the Bond Club of Denver, declared that the future of the investment business is brighter today than for many years past and the problem of dealers is to see that this bright future is not destroyed. He recommended an educational program to make the public conscious that sound investment advice can be obtained from the broker-dealer fraternity.

In addressing the meeting Mr. Geraghty said:

It would be difficult to attempt, in five minutes, to give even an intelligent synopsis of the activities of the Commission, so I have decided to confine my remarks to some of our activities with which you are more familiar, namely, the broker-dealer inspections, and possibly make a suggestion or two which might be of help to the industry as a whole.

The principal purpose of an inspection is, first, the protection of the customer, and second, the broker. You appreciate, of course, that during the course of the inspection several items are examined to determine (1) that the capital requirements are being met; (2) that loans on securities are within the law; (3) that proper safeguards are maintained for customers' securities in safekeeping; (4) that there has been a compliance with the bookkeeping rules; and (5) probably most important, that customers are being dealt with fairly; in other words, the elimination of unreasonable profits.

As a result of these inspections, the amount of good which has been accomplished with a minimum of publicity is astounding. Capital deficiencies have been corrected in numerous instances, and in cases where customers might have lost many thousands of dollars, by permitting the broker-dealer to work out his problems under the Commission's guidance, the same was saved for the investors.

Throughout the entire area covered by our office, I am confident that the inspections have resulted in improving the bookkeeping of many firms. Mr. Schepp, our Inspector, in my opinion, has done excellent work, as has Mr. Petersen, in properly calling to your attention the bookkeeping rules, and where firms have followed their advice regarding the requirements of the rules they have frankly informed the Inspectors on later inspections that they did not realize how it was possible for them to carry on their business in the past without the use of such records. This compliment has been paid principally in connection with the installation of the "position record" which is one of the few "must" requirements of the bookkeeping rules. It appears that in practically every other section of the rule "other records" will suffice, but not so as to the "position record."

The correction of bad practice which existed in numerous houses through inspections has, in my opinion, helped each of you indirectly. Mr. Schepp, I believe, is responsible for the comparison of the broker-dealer fraternity to the members of one large family. If one "goes wrong" or is found guilty of some infraction, it reflects upon all others for a certain period. With that thought in mind, I would like to make a few suggestions as to how you might better assist yourselves and the Commission in keeping the industry beyond question.

As I view it, the future of your business is brighter today than for many years past. Every loyal citizen in these United States is now an investor and your potential customer. As a result of the efforts of the Commission during past years, there are among your ranks fewer questionable firms than for many years. Your problem, therefore, as I view it, is to see that this bright future is not destroyed. I think as a starter an educational program could well be considered, designed principally to make the public conscious that sound investment advice can be obtained regarding investments from the broker-dealer fraternity. Slogans such as "Before you invest, see your broker-dealer," or, "If it is as good as they say, it will stand the light of day."

When this program of publicity begins to bear fruit and individuals seek investment advice, concentrate upon making it good advice that they receive. If an investor calls upon you, having in mind an excellent investment, don't adopt the attitude that it will be your last trade and therefore attempt to move some security that you may have on your shelf, but give them the best advice possible. Good advice, in my opinion, will make him your customer in the future much quicker than anything else you might do. Second, you as a group know the questionable operator. When he arrives, let the Commission know. Third, you know a questionable transaction. When it is presented to you, likewise let us know. You may be sure that you will not be considered a stool-pigeon and, before any action is ever taken, a careful and painstaking investigation will be made by representatives of the Commission.

Along this line, I would suggest possibly the adoption of a uniform rule among yourselves of delaying transactions regularly which are presented to you by questionable characters or unknown operators. A delay of a day or so never hurt a legitimate transaction. During this time, I would suggest the advisability of calling the transaction to the attention of the local office. You may find that the individual who has presented the transaction to you for execution may be wanted on an indictment in New York or New Orleans, or such action we may know will soon be taken. It might also be that the investor from whom the securities were obtained has already realized the fact that he or she has been defrauded and has complained to the Commission's office.

I would say that should you take such precautions to prevent fraud, the investor whose money was thereby saved might be your customer from then on, and at least would have some funds to invest with one of you.

It may be but a short period until the holders of many of the War Bonds will be looking for investments, and if the questionable operator is prevented from finding a market for such securities among you, his labors will not be as fruitful as in the past.

In all, it is a problem, as I see it, of cooperation between your industry as a whole and the Commission, which is attempting to enforce legislation which is designed to protect the investor, who, if protected, is a potential customer for one of you.

Canadian Business Continues To Increase

Canadian business conditions during the first month of the year showed general increases over the same month of last year, according to the March 24 "Business Summary" issued by the Bank of Montreal. The review further said:

"The usual seasonal decline in industrial employment at Jan. 1 was less marked, the losses in general being slighter than at any corresponding time since records of employment began to be kept 23 years ago. A tentative computation of the national income gives a total of $693,000,000 in January, an advance of 23.8% over the first month of last year. The Dominion Bureau of Statistics reports that the cash income of Canadian farmers from the sale of their products in 1942 was $1,083,000,000. In addition, the farmers received substantial supplementary income from bonuses and subsidies paid by the federal and provincial governments. In January strikes in leading plants were responsible for a recession in the production of iron and steel, which for that month amounted respectively to 116,327 and 207,008 tons, as compared with 164,382 and 269,834 tons in December, and 163,156 and 259,016 tons in January, 1942, but the outputs of both recovered in February. The textile mills remain busy. In February the newsprint industry operated at 64.9% of its capacity, the lowest scale since August, 1939."

The Business Man's Bookshelf

Battle Stations For All—The Story of the Fight to Control Living Costs—Office of War Information, Washington, D. C.—paper.

Chile, A Geographic Extravaganza—Benjamin Subercaseaux—translated by Angel Flores—The Macmillan Company, 60 Fifth Avenue, New York City—Cloth—$3.00—publication date: April 13, 1943.

Effect of Inventory Methods On Calculation of Profits and Income Taxes—Charles J. Gaa—Bulletin Series No. 63—University of Illinois, Bureau of Economic and Business Research, Urbana, Illinois—paper.

How Did We Get This Way?—H. B. Loomis and John B. Knox—Reprinted from the "Commercial and Financial Chronicle"—William B. Dana Company, 25 Spruce Street, New York City—Paper—35 cents a copy—Reduction for quantity orders.

Materials Handling, Principles, Equipment, and Methods—Harry E. Stocker—Prentice-Hall, Inc., 70 Fifth Ave., New York, N. Y.—cloth—$5.00.

Wartime "Prosperity" and the Future—Wesley G. Mitchell—Report No. 2 in the series "Our Economy in War"—National Bureau of Economic Research, 1819 Broadway, New York City—paper.

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The Commercial and FINANCIAL CHRONICLE

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Volume 157 Number 4164
New York, N. Y., Thursday, April 1, 1943
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THE FINANCIAL SITUATION

It is a strange notion, so often expressed of late, that we should do something **now** to guard against a weakening of the determination (presumed to exist among us) to enter some sort of glorified League of Nations after the war is over, and to do a great many other strange things to make the world over in the name of the "four freedoms" and eternal peace. It is a still stranger idea that we **can** do anything now that would be really effective in the post-war years regardless of how we may feel about it all at that time. There is an old and familiar, if somewhat cynical, couplet which goes like this:

> When the Devil was sick, the Devil a monk would be,
> When the Devil was well, the Devil a monk was he.

It would appear that some elements in the population have been reflecting rather too much upon such sentiments as this, and accordingly have developed a distrust of themselves and the rest of us. Their behavior may be likened to the man who earnestly makes a long list of New Year's resolutions on the first day of the year while his head still aches from New Year's Eve revelry—and is plagued with doubt whether he will abide by them when he feels well again.

Now?

Many public commentators have long been insisting in season and out that "machinery" for maintaining the peace and reforming the world should be installed **now** while we are, so they think, in the mood for it. There has been a great deal of reiterated demand that a "stream-lined" League of Nations be created **now** before the doubts likely to arise on the morning after the night before assail us. Others have wanted to go still further, apparently, and cross all the "t's" and dot all the "i's" before the war is won—and for the same reason. Advocates of all manner of new devices and new programs to re-mould the world are, of course, acutely aware of what happened in the Senate when Wilson brought his League of Nations home after World War I. They are certain that other nations are as troubled by these recollections. One result is an effort to have the Senate take some kind of action **now** to "reassure" the public here, and particularly foreign nations, that nothing of the sort will happen again.

More Thought Needed

Should we not be wise to think these matters through a little more carefully? In the first place, precisely what

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Farmer Brown

"Suppose Farmer Brown needs some pipefittings and goes to town to buy them. Now, who is responsible for seeing that the materials for Farmer Brown's pipefittings are obtained? At the present time this is not an easy question to answer. If Farmer Brown needs pipefittings to repair the plumbing in his barn the Department of Agriculture is responsible for seeing that material is allocated to the manufacture of fittings for that purpose. However, if Farmer Brown's kitchen sink needs repair the responsibility of providing materials for the pipefittings for that purpose lies with the OCS. For the repair of Farmer Brown's tractor the Department of Agriculture will be responsible. Yet if pipefittings should be required for Farmer Brown's truck, provided that he uses it on the highway, the ODT would be the agency concerned. If, on the other hand, Farmer Brown has a truck which he uses only on his own property and never on the highway the Department of Agriculture rather than the ODT would be concerned."—Joseph L. Weiner, Director of the Office of Civilian Supply in the WPB.

Meanwhile, may a kind Providence give us each day our daily bread.

NAM Principles For U. S. Post-War Prosperity; Sees Economic Progress Through Co-operation

The National Association of Manufacturers on March 26 made public "the principles necessary for post-war prosperity" which it will use as a "check-sheet" for further study of the post-war objectives advocated by the National Resources Planning Board report. It was emphasized that the NAM's report of its Post-War Committee is not a finished post-war plan, but it does state the principles which, it is believed, must underlie any sound solution of post-war problems.

The 48-page report, resulting from several years of preliminary study by the Committee, is entitled "Jobs-Freedom-Opportunity" to indicate the Association's belief that "these are the three primary goals which Americans seek for their post-war world."

"While completed several weeks before the National Resources Planning Board's announcement, the report is equally pertinent now," said William P. Witherow, Chairman of the NAM Board. He added: "To the extent that the National Resources Planning Board's objectives are desirable and practicable, they can be attained only by the application of these basic economic truths."

The Association's report is presented in three parts.

The first analyzes the exact nature of the post-war problem.

The second discusses the domestic problems which must be solved.

The third is devoted to the solution of the international problem.

Four Factors, according to the report, will determine the post-war economic prosperity of this nation:

"1. The public's need for goods.

"2. The productive capacity of the nation.

"3. The public's accumulated buying power.

"4. The public's willingness to buy."

"With respect to the first three factors," the report states, "we will have a favorable situation that is unprecedented in the nation's history. The public's willingness to buy is the only uncertain element in the picture, and even that can be assured if we are careful to avoid inflation and if business and governmental policies provide the assurance for continued jobs."

The Association's recommendations in the domestic field include:

"The fostering of competition.

"The elimination of cost and price rigidities.

"The elimination of unnecessary restrictions on investment.

"A general overhauling of our tax laws.

"Important adjustments in money, banking, and credit systems."

If government will provide the proper economic and social "environment" by constructive action in these fields, the Association report contends, then business, agriculture, and labor will be able to accept full responsibility for providing full employment.

The report lists the obligations upon business, agriculture, and labor, and says:

"These groups must accept their obligations. Government can make it easy or difficult for them to do so, but government must not accept the responsibility itself."

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From Washington Ahead Of The News

By CARLISLE BARGERON

The Ruml, or the Ruml-Carlson tax plan is the foremost subject in Washington these days. It has pretty much the same public sweep or agitation behind it as did the Townsend plan. Your correspondent made the point long ago that he thought it was foolish for the Republicans to be advocating anything that would relieve the situation whereby the mass of Roosevelt followers had been made tax-conscious. The fact, I still insist, that the newspapers of the country carried front page tables on the eve of the last November Congressional elections showing that the former WPA workers, now employed in war plants, would have to pay $300 or $400 and even $500 to the Treasury had a profound effect on them and was largely responsible for their staying away from the polls and permitting the Republicans to win. For the first time, they realized the turn-about of Santa Claus.

I have just been in discussion with Republican proponents of either of the two bills, made my argument and these gentlemen have insisted that the Treasury isn't going to get the money out of these lower-bracket people, that there is a taxpayers' strike on in the country, and that the thing to do is to put things on a current basis and then these lower-bracket people will really be made to pay—by virtue of their taxes being taken out of their weekly pay envelopes.

Frankly, my Republican friends have not made a convincing argument to me on this purely political thinking about the matter. They hem and haw when you press them about the extent of the taxpayers' strike. There was the appearance of that the first two or three days after March 15. But the Treasury now insists that the returns are measuring up o. k.

Furthermore, I get nowhere with my Republican friends when I ask, if it is true that if last year's effort to make the rank and file tax-conscious was not successful, because of their ignoring the matter, then why shouldn't a plan be worked out to make them pay double out of their pay envelopes, make them go to the Morris Plan bank; in other words, they owe so much to the Government, why shouldn't they be made to pay it? I argue this is the best way to get the New Deal out. I am discussing the matter in purely political terms, of course. Yet it is nonsense to discuss it on any other grounds.

By way of what Pegler would call Gent's room gossip, Douglas MacArthur, I have reason to believe, is about to be recalled and submerged in the Washington conglomeration. He caused considerable embarrassment in high circles recently when he sent a bunch of emissaries here, with a well-planned program for publicity, seeking additional aid for the general's enterprises.

MacArthur, in spite of what one hears, is not considered by the Administration as rival Presidential timber. But the fact that he moved so forcefully against the Administration's plan of war strategy has done him no good. On the surface, there would seem to be nothing for anybody to object to. Major General Kenny

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Paul Mallon Brands Cradle-to-the-Grave Program As "Political Canned Goods"

Mr. Roosevelt sent his cradle-to-the-grave "security" plan to Congress in the name of Uncle Delano Roosevelt, head of the National Resources Planning Board, but it was somewhat the work of Ambassador Winant.

The Ambassador to London has been in Washington nearly two months working on the program, on the basis of his experience with Sir William Beveridge in preparing the Beveridge Plan for the British.

The British Government allowed three days of debate in Parliament on the Beveridge Plan and then postponed action "until after the war"—a nice shelf on which it can gather dust. Not even all Laborites were for it.

The American Congress is apt to do the same thing with the Roosevelt plan—without the three days of debate.

There are many excellent notions in the plans, but somehow few can bring themselves to seriously consider such political canned goods in the midst of the war. No worse time could be chosen to talk of "security" than when everyone can look into his own life and see there is no such thing, never has been, never will be.

The best laid plans of governments and politicians to collect a lot of taxes now on the promise to pay someone $8, $10, or $12 a week in the future never look sillier than when they come up against war, with inflationary prices, food rationing, death and destruction of lives, and even governments, and their promises to pay.

The same $8 which might have been security for someone two years ago, for instance, is certainly not today.

Men have always strived for security, in the past mainly by trying to make themselves rich, or by acquiring property and insurance. The rich found in 1932 that their way was no guarantee. Their paper riches were washed away.

The poor man has learned the same lesson then and now, when the disaster of war, with its prices and taxes, have nullified his attempts to find assurance against dreaded want.

Yet man—as the politicians well know—first is inclined to seek safety rather than work, advancement, freedom, and adventurous goals, at least in these days when his leaders constantly gild the pot of gold at the end of the rainbow.

In truth, however, security is a negative goal. It does not look ahead, but back. It does not suggest progress and improvement of the individual or nation, only a hedging against an old constantly fading norm.

The only real security today is ability to earn, day by day, week by week. No matter how governments have sliced it, you still can't get something for nothing.

These government plans at best, could only bring an unsatisfying measure ($8 a week) of "security" to the 10% or less of the people at the expense of the 90% or more of the people who replenish the Treasury.

Our own working social security plan, already adopted, has collected $7,000,000,000 more than it has paid out to the people. Comparatively few have benefited. Most good workers will never get anything out of it, and the poor one may not really be worthy of all this taxation.

A Britisher tells me that Sir William Beveridge is coming over here to sell his plan, because he failed to put it over in Britain. If Beveridge had been successful at home, he would be too busy working it out there to make the trip, so my informant says.

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THE FINANCIAL SITUATION

(Continued from first page)

can we do now which would automatically and unfailingly govern our action two, five, ten or twenty years hence? It is about as difficult to answer such a question as it would be to advise the New Year's Day reformer how he can bind himself to keep his resolutions. We have always heretofore thought of our Constitution as about the most binding and the most enduring set of self-imposed rules in existence, but it has been demonstrated quite convincingly during the past few years that even that document can be made about as pliant as anything else in the hands of resourceful and persistent politicians who have little liking for its spirit and content. In any event, of course, the Constitution is hardly a tool that can be effectively employed in the situation here under consideration.

Formal treaties embodying post-war plans in great detail, omitting escape clauses, and carrying no provision for abrogation—if we or any of the other powers were so utterly silly as to undertake them at this time—would perhaps be as definite a commitment as could well be devised, but no one who has cut his eye-teeth would for a moment suppose that they would be really effective once the determination which gave them birth disappeared from the hearts and minds of their sponsors. Ordinary legislative enactment or Senate resolutions would be virtually worthless, since they bind no one once they are repealed, as any subsequent Senate (or even the same Senate) can do whenever it is so minded. Some of us appear to be groping blindly for a will-o'-the-wisp which is eluding them and will continue to elude them.

Fortunate

It seems to us that on the whole it is fortunate that such is the case. Our own "noble experiment" with prohibition should warn us of the danger of sweeping, far-reaching action taken hastily under the spell of great emotion. Apart from all the difficulties attending any precise determination of post-war policy at this time when no one can possibly know when or under what conditions the war will end, is it not quite possible—nay, quite certain—that we should be wise to wait until the passions of war have cooled somewhat and the pains somewhat assuaged, until we as human beings can view the situation with more dispassionate realism, to reach definite conclusions as to what our course should be in the post-war years? Should we not be much more likely to build solidly and lastingly if we wait to see how the world appears and how these many and varied proposals strike us when we are more nearly our normal selves? It would appear so to us.

Certainly it is difficult to imagine the American people continuing indefinitely, year after year, decade after decade, to support some of the proposals now brought forth by the so-called leaders of thought. They are now willing, we feel certain (though that willingness may well be impaired with a long continuation of the official bungling at Washington) to deny themselves within reason to keep our allies supplied with arms and the real necessaries of life. We should expect them to be willing within reason to deny themselves similarly for a period after the war to save the starving from disaster—provided, of course, that willingness is not detroyed by official folly. We should be greatly surprised if they should long be willing to subsidize these peoples over an indefinite period, or to "set them up in business" gratis to compete with us in the markets of the world. We should be still more astounded if they were long willing to deny themselves in order that all the other peoples of the earth may have a quart of milk per capita a day—merely because our dieticians think they should have the vitamins and the minerals contained therein.

Buying Friends

Neither should we expect the American people to continue long to be willing to deny themselves in order that "friends" may be purchased among the shiftless populations of the earth. If they are wise they will, when the present crisis has passed—if not sooner—quickly put an end to these "diplomatic" loans, which, like their counterpart throughout the history of world politics, have been one of the instruments used in the creation of conditions ultimately leading to war. Once they have come to themselves, as it were, they will not wish to do without things they otherwise could have in order that TVA's may spring up on the Danube, the Dnieper, or the Yangtse. Neither will they wish to pay any such price to impose the ways of civilization upon the Indian tribes along the Amazon.

Of course, some of those who demand action now to commit us to a much larger part in world affairs after the war do not contemplate any of these weird programs, but many do. Certainly it would be difficult to interpret many of the statements of the Vice President—the putative heir-apparent to the Roosevelt dynasty—in any rational way which would exclude very many of them. There are many others in official life or in places of influence who are fully as ardent as the Vice President. But even the less extreme advocates of what is now termed internationalism are daily urging programs which are perilous to our way of life and even to our national life itself. If there ever was a time when wisdom suggested a "cooling-off" period, that time is here as regards these post-war plans about which we are now often told.

'New Bill Of Rights' Represents Frustrations Of Those Falling Short Of Objective: Wriston

The "New Bill of Rights," embodied in the National Resources Planning Board's social security program, was criticized on March 12 by Dr. Henry M. Wriston, President of Brown University, as representing "the frustrations which come to those who almost achieve some great objective but fall short."

Speaking at a meeting of the New England Council at Providence, Dr. Wriston said that the declaration "omissions are as eloquent as its professions," specifically citing the fact that the "New Bill of Rights" says "nothing about freedom of religion . . . nor is there any sturdy demand for civilian rights . . . nor is there any right to property except property in a job."

He also said it was interesting to observe that "this statement of rights makes no reference to the several States nor to the ultimate authority of the people."

Pointing out that the differences between the NRPB declaration and the Bill of Rights of the founding fathers are significant, Dr. Wriston, according to the "Providence Journal" of March 13, asserted:

"The latter looked to rights against the State, to freedom from political oppression and officious interference. The new Bill of Rights looks much more to the obligations of the State than to opportunity for the individual. It talks about money, food, clothing, housing, insurance, health. It sets requirements our forefathers would never have suggested, for those were the things which they left to individual initiative; they neither wanted nor would accept State assistance or supervision. The current declaration emphasizes what is to be done for man rather than what he may do even in the face of opposition from political authorities. It represents the frustrations which come to those who almost achieve some great objective but fall short.

"Its omissions are as eloquent as its professions. In a day when the Church and the State are more bitterly at war than at any time in modern history, it is significant that the new Bill of Rights says nothing about freedom of religion. This modern declaration makes no reference to the profundest of all man's experiences, that which our forefathers put in the very first clause of the first amendment to the Constitution, and without which that Constitution could not have survived.

"Nor, though we live in an age of total war and at a time when more men in proportion to the total population are under arms than ever before in history, is there any sturdy demand for civilian rights. Strikingly enough, moreover, there is in this new declaration a reference only to equality before the law, not to due process, or about punishment. Nor is there any right to property except property in a job. It is interesting to observe also that this statement of rights makes no reference to the several States nor to the ultimate authority of the people.

"The early Bill of Rights represents the deep and powerful yearning of men who had lived intimately with tyranny, of men who had known oppression at first hand, of men who were demined to govern political practices thereafter with firm principles. The newer declaration is the product of men who had lived intimately with depression. It is cast in the mode of thought of a materialistic age, a time of pessimism, years of retreat, of minds hesitant and doubtful.

"It looks not so much to opportunity through expansion, whether extensive or intensive, but to distribution of what appears to be available. It has qualities which reflect transient circumstances rather than the more profound and fundamental yearnings of our fathers. It contains, therefore, neither the profundity of challenge nor the prophetic opitmism of the earlier Bill of Rights, the framers of which had a shrewder understanding of the meaning of life and would never have dreamed of urging a right to adventure which is inherent in life itself; they would have seen the antithesis between adventure and security."

The new Bill of Rights proposed by the NRPB for after the war was given in our item on "The Financial Situation" in these columns March 18, page 1017—Reference to the Board's findings and recommendations on "Security, Work and Relief Policies" will also be found on the same page, viz., 1017.

The State Of Trade

America's gigantic war effort sent industrial output soaring to new heights last month, according to the Federal Reserve Board in its monthly review of business and financial conditions.

Increased production at coal mines, steel mills and armament plants pushed the board's adjusted industrial index up three points to a record of 203.

Steel production is shattering all records for March, according to the "Iron Age." Output will continue to make records as the year progresses since raw materials problems are not serious, the survey says.

Production in the Pittsburgh district has reached a high point of 103% of capacity, Buffalo is up to 106.5, Detroit 105.5, Cincinnati 105 and St. Louis 106.5. The "Iron Age" estimates the average for the industry at 100% for the fifth consecutive week.

Steel production for the current week is scheduled at 99.5% of rated capacity, indicating output of 1,723,000 net tons of ingots and castings, according to the American Iron & Steel Institute.

Output last week was 1,716,100 net tons, with operations at 99.1%. For the week beginning March 30, 1942, steel production amounted to 1,678,200 net tons.

A slight upturn in demand for electric power last week was reported by the Edison Electric Institute, which estimated consumption at 3,946,836,000 kilowatt hours, against 3,944,679,000 in the preceding week.

Generator output for the nation as a whole thus continued at more than 17% above that of a year ago, a rate of increase higher than that earlier in the year.

Pacific Coast output was 28.3% greater than in the comparable week of 1942, playing a major part in lifting the national average 17.6% above a year ago. Southern States used 26% more power than last year.

Loading of revenue freight for the week ended March 20 totaled 768,134 cars, according to reports filed with the Association of American Railroads. This was a decrease of 908 cars from the preceding week this year, 28,520 cars fewer than the corresponding week in 1942 and 1,850 cars below the same period two years ago.

This total was 119.82% of average loadings for the corresponding week of the ten preceding years.

Engineering construction awards this week amounted to $74,130,000, compared with $55,634,000 in the preceding week and $177,115,000 in the like week a year ago, according to "Engineering News-Record."

Private construction is 254% higher than a week ago, and public work is 14% higher as a result of the increases in State and municipal and Federal work. Comparisons with the week last year, however, reveal private work 21% lower and public construction down 63%. Federal volume is 63% below a year ago and State and municipal off 59%.

Department store sales on a country-wide basis were down 2% for the week ended March 20, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 10% for the four weeks ended March 20, compared with the corresponding period a year ago.

Department store sales in New York City in the week ended March 27 were 9% below those of the corresponding week of 1942, according to a preliminary estimate issued by the New York Federal Reserve Bank.

In the previous week ended March 20, the sales of this group of stores had declined 3% under the comparable week of a year ago.

Although retail trade quickened its pace this week, business failed to touch the heavy pre-Easter buying levels of a year ago, Dun & Bradstreet, Inc., reported in its review. They estimate sales 1 to 3% below the 1942 week.

Antcipatory buying increased in food, but generally was less important in trade totals as Spring purchasing became more normal.

The best results were achieved in Western areas, largely because of buying by defense workers. Outlying districts usually reported less favorable results than centrally located stores. The majority of Eastern cities reported decreases.

Two areas, the Southwest and the Pacific Coast, where trade has been making a remarkably fine showing in recent months, reported gains of 7 to 13%. Other sections showed declines, according to this agency.

Wholesale markets were less active in Spring goods, but advance Summer and Fall buying continued in substantial volume. The need for goods continued evident, however, as urgent requests were made for delivery of large outstanding orders.

Delivery of Spring goods showed little sign of improvement. Shipments came through slowly, but the slowing down of retail selling permitted merchants to build up stocks.

New Div. Scale For Savings Bank Life Ins.

A new dividend scale for savings bank life insurance policies for the period May 1, 1943, to April 30, 1944, was approved on March 20 at a meeting of the Savings Bank Life Insurance Council in New York City. M. Kenneth Frost, President of the Savings Bank Life Insurance Council, announced that the new scale represents a slight over-all increase over the present dividend scale. Dividends in general will be increased at the younger ages and decreased somewhat at the older ages. Most savings bank life insurance policyholders, however, will receive an increase in dividends. "Dividend payments in 1943," said Mr. Frost, "will total $106,500 as compared to $66,800 paid out in 1942."

Mr. Frost stated that earnings for the savings bank life insurance system this past year have been very satisfactory. Due to unusually low mortality, the banks have maintained substantial surplus funds for the security of policyholders and at the same time have provided for liberal dividend payments. Surplus funds of the 26 banks issuing savings bank life insurance as of Dec. 31 amounted to $578,483, including earned surplus and the surplus funds set up at the time the life insurance departments were established. Assets of the Savings Banks Life Insurance Fund, which form a secondary guarantee of all savings bank life insurance policies issued, increased from $469,655 as of Dec. 31, 1941, to $498,427 as of Dec. 31, 1942.

Hamm To Quit OPA Post

Price Administrator Prentiss Brown announced on March 9 that he has accepted the resignation of John Hamm as Senior Deputy Administrator of the OPA, effective July 1. Mr. Brown said that Mr. Hamm's successor would be a man from the business world. Mr. Hamm is remaining with the OPA until July at Mr. Brown's request in order that he may assist the OPA head in examining the report to be submitted by former Senator Herring suggesting organizational changes within OPA. Mr. Hamm has long been an associate of Leon Henderson, former OPA chief.

International Currency—Keynes And White Plans Brought Up At Morgenthau Press Conference

Plans for post-war international trade, possibly embodying some form of international currency and a world clearing house, are expected to be the subject of a White Paper to be issued shortly by the British Government. Indications of this were contained in Associated Press accounts from London on March 29, which stated:

"The British Treasury and Finance Ministers of the Allied European Governments have been conferring for some time on a plan drawn up by John Maynard Keynes, economist and adviser to the British Exchequer. Representatives of the United States, Russia and China sat in on the discussions.

"Mr. Keynes explained the plan at the first meeting of representatives of the Allied Governments. They were said to have approved it in principle but reserved the right to further discussion."

The Keynes proposal was discussed at length in a wireless message from London to the New York "Times" on March 28, which stated that "the plan is the British counterpart of the American proposal attributed to Harry D. White, an Assistant to Secretary of the Treasury Henry Morgenthau, Jr. The American suggestion has not yet been published."

The likelihood of an international conference on the question of post-war monetary stabilization to compose the differences between the British and American viewpoints was reported in a Washington account March 29 to the New York "Times" by John D. Morris, which in part stated:

"With Mr. White's report a closely guarded secret, there was no definite indication of how widely he differed from Mr. Keynes. Treasury Secretary Henry A. Morgenthau, Jr., at his press conference today, however, studiously avoided any comment on either plan. His attitude was interpreted by some as an indication that possibly there were basic disagreements that he did not care to bring into the open at present.

"The Secretary of the Treasury declined to answer half a dozen questions as to when Mr. White's plan would be made public, how it differed from Mr. Keynes's proposal and whether the problem had been discussed with representatives of other nations. He did deny, however, that his trip in England last fall was made in apprehension of a devaluation of the British pound.

"From other sources it was learned that part of the conversations here of Anthony Eden, British Foreign Secretary, had been concerned with post-war monetary stabilization and that Mr. White, who accompanied Mr. Morgenthau to London last fall, had taken up the problem with British officials there.

"It was reported also that the White proposals had been discussed with Chinese and Russian representatives here. The talks to date, according to informed sources, have been more of a technical than policy-forming nature and have merely served to lay the groundwork for a formal conference.

"One difference between the British and American points of view, according to the best information here, is that the British favor a British-American agency to stabilize the world's currency, while this country prefers one in which other nations also would be represented.

"Another possible ground for disagreement was seen in Lord Keynes's proposal for an international currency geared to gold, 'although not inflexibly.' It is suggested that the extent and nature of the flexibility of gold as a base for international currency, or for currency of individual nations, might be controversial."

With respect to the Keynes proposal, the wireless message to the "Times" from London (by Raymond Daniell) March 28, referred to above, had the following to say:

"In essence, the scheme advanced by Mr. Keynes is believed to be the establishment of a currency union based on international bank money to be known as 'bancor.' This currency would be geared to gold, although not inflexibly, and would be accepted as gold for the settlement of international balances by all members of the clearing union.

"In effect, the plan would adapt national banking systems to international needs. Member countries that enjoyed a favorable balance with the rest of the world as a whole would have a credit balance with the union. The reverse also would hold true. In that way, it is believed, it would be possible to minimize the contracting effects of local dislocations on world trade, for it would be impossible for creditor nations to adopt a purely passive role and would free credits for use where they were needed, just as the depositor in a bank is not hurt if his reserve funds are employed in the development of trade and industry.

"Mr. Keynes's plan, which entails in some measure the surrender of the sovereignty of individual States over their domestic economic policy, has implications far beyond mere finance and international banking. Indeed, it might be termed a blueprint for a financial 'disarmament' as the forerunner of military disarmament, for it is easy to see how the union might become a mechanism for enforcing national policies in addition to the financial arrangements that would be its primary purpose. . . .

"Although it is soon to be published as an official State document, it should be pointed out that the plan is being offered as a basis for discussion rather than as a final document. Subject to alterations and amendments by Parliament and the governments of the United Nations, Mr. Keynes believes the plan could be put into operation quickly and easily. If the proposal were adopted by the United States and the United Kingdom and were adhered to by the other United Nations, efforts would be made to bring in other countries as soon as they were in position to join. In this way, it is pointed out, the disadvantages of long international conference and a series of separate bilateral agreements would be avoided. It is the belief of the author of the scheme that about the only way in which his comprehensive scheme for a post-war currency agreement can be adopted is through a single act accomplished in the unity resulting from a victory over the Axis.

"If the plan were adopted, a governing board would be appointed by the government of the member States. The main offices of the union would be in London and New York, with the Board meeting alternately on opposite sides of the Atlantic.

"The founder States would agree among themselves on the initial value of their own currencies in terms of 'bancor' and also would fix the value of the new international currency in terms of gold. Each member country would receive a maximum debit balance and initial quotas to be fixed to the sum of that country's exports and imports on the average figures for the three years preceding the war. When debit balances grew too large, the governing board would have the right to order that member to reduce the value of its currency and surrender a suitable proportion of gold or other liquid reserve or exercise stricter control over the transactions calling for capital to leave the country.

"The establishment of a credit balance in the union would resemble the importation of gold, but it would not involve, according to Mr. Keynes, the withdrawal of purchasing power from circulation or the exercise of deflationary pressure on the whole world.

"According to some economists, the same results would occur if the United States should redistribute its gold or its accumulation of a large sterling balance in the Bank of England. But Mr. Keynes's plan recognized that it would be unreasonable to ask the United States to demonetize its gold and explained that its purpose was to supplant gold as a governing factor but not to dispense with it. International bank money would be defined, therefore, in terms of a weight in gold. The official buying price for gold would be fixed on the basis of the relationship of each nation's currency to 'bancor.'

"The value of 'bancor' in terms of gold would be flexible enough to allow some variation if the stocks of gold offered were excessive.

"One purpose of the clearing union would be to stabilize international trade agreements. In Mr. Keynes's plan it is laid down as a principle to be encouraged by the union that commercial treaties between nations should exclude import restrictions beyond those desirable from the point of view of health and morals in order to avoid inordinately high tariffs and to outlaw as far as possible barter agreements, export subsidies and import quotas.

"The supporters of Mr. Keynes's proposal hold that it has the advantage of 'impersonality' over all others.

"Of greatest immediate importance, however, is the part such a union could play in the tremendous task of post-war relief and rehabilitation by establishing a clearing account for an international body charged with administering such relief. This would avoid, according to the plan's supporters, the necessity for any nation to bear an undue share of the burden inasmuch as resources would be provided first by countries with credit balances. It was pointed out that, in that way, funds would be provided by the system as a whole without the necessity of calling on individual nations for contributions from taxpayers for international projects in competition with domestic reform programs.

"The subject of Mr. Keynes's memorandum came up in the House of Commons on March 16, when members demanded and received assurance from Sir Kingsley Wood, Chancellor of the Exchequer, that the Bank for International Settlements played no part in the scheme soon to be put forward for discussion. Whether Mr. Keynes's plan has figured in discussions that Foreign Secretary Anthony Eden has been having with United States officials in Washington was not known definitely here, but it would be considered surprising if it had not. Financial circles here hope that publication of the White Paper will be followed by publication in the United States of the so-called White plan that thus far has the status of a confidential private memorandum and has been kept secret."

Industrial Activity Advances Further In February, Federal Reserve Board Reports

Industrial activity continued to advance in February and the early part of March, the Board of Governors of the Federal Reserve System reported on March 25 in its summary of general business and financial conditions in the United States. Retail sales of merchandise, particularly clothing, were exceptionally large in February but declined somewhat in March. Wholesale prices, particularly of farm products, advanced further.

The Board's summary further states:

Production

Total industrial output continued to increase in February and the Board's adjusted index rose to 203% of the 1935-1939 average as compared with 199 in January. Larger output at coal mines, steel mills and armament plants was chiefly responsible for the rise in the index. February deliveries of finished munitions, including a record of 130 merchant ships, considerably exceeded the previous month.

Activity at steel mills reached the peak set last October. Operations averaged 93% of the mills' capacity, which has been increased since that time to a figure above 90,000,000 tons of ingots annually.

Lumber production, which declined in January owing largely to unfavorable weather, increased in February somewhat more than is usual at this season.

Output of textile products remained at the high level of other recent months. Cotton consumption was slightly lower than the corresponding month of the previous year, while rayon and wool consumption were somewhat higher than last year. Shoe production, unchanged from January, was close to the level set by the War Production order which limits output of shoes for civilians in the six months beginning March 1 to the number produced in the last half of 1942. Meatpacking declined less than seasonally after a reduction in January, while output of most other foods was lower.

Coal output rose sharply in February with the general adoption of the six-day work week in the mines. Operations in the anthracite mines increased to the high level of last Summer while output of bituminous coal was the highest in many years.

The value of construction contracts awarded in February was about the same as in January, according to reports of the F. W. Dodge Corp. Total Federal awards for war construction remained at a level about one-third as large as during last Summer. Federal awards for housing continued to decline in February.

Distribution

Department store sales increased considerably in February and the Board's seasonally adjusted index rose to a new high level of 167% of the 1923-25 average. Previous peaks had been 143 in January and 138 in January and November, 1942. The increase in February reflected a new buying wave that began early in the month and centered chiefly in clothing items. In the first half of March the buying wave subsided somewhat and sales declined from the high level reached during February.

Freight carloadings showed more than a seasonal rise in February and the first two weeks of March and the Board's adjusted index averaged 4% higher than in January. Large off-seasonal movements of grain continued to be the most unusual feature of carloadings.

Commodity Prices

Prices of a number of commodities advanced further in February and in the early part of March. Farm products have continued to show the largest increases and prices received by farmers in the middle of March are estimated to be about 30% higher than a year ago. Fruit and vegetable prices are considerably higher now than during the same season last year. Prices of bread grains and grains used for livestock feeding have advanced sharply in recent months and livestock prices have also risen further.

In retail markets the largest advances continued to be in food prices. In the latter part of February maximum levels were established for leading fresh vegetables following sharp price increases resulting in part from the restrictions on retail sales of canned and dried vegetables and fruits.

Bank Credit

Excess reserves of member banks remained generally above $2,000,000,000 during the first two weeks of March, compared with an average of about $1,800,000,000 during the latter part of February. During the four weeks ending March 17 total Reserve Bank holdings of Government securities showed an increase of $470,000,000. Purchases of special Treasury one-day certificates moderated the effect of large-scale shifts of funds over the tax payment period. These purchases began early in March and on March 17 the certificate outstanding was $980,000,000. Holdings of other United States Government securities declined by $510,000,000.

Reflecting the payment of taxes in cash, money in circulation rose less rapidly early in March and declined slightly around the middle of the month.

The gain in reserve funds occurred mainly at banks outside the central reserve cities; at New York City and Chicago banks reserves remained close to requirements.

In the four-week period ending March 17 member banks in 101 leading cities increased their holdings of Government securities by $920,000,000. Prices of Government securities continued steady.

Demand deposits at banks in leading cities increased sharply over the four-week period. There were also increases in interbank deposits, indicating accumulation of funds by country banks.

ABA Names Committee On Social Security

Appointment of a special Sub-Committee on Social Security is announced by W. L. Hemingway, President of the American Bankers Association. It will be a subcommittee of the Committee on Federal Legislation, of which ABA Vice-President A. L. M. Wiggins is the Chairman. According to the announcement made available March 19, the function of the Sub-Committee on Social Security will be the continuing study of information, opinion and proposals bearing on this subject and the development of appropriate material.

The sub-committee consists of five members under the chairmanship of Rudolph E. Reichert, President, Ann Arbor Bank, Ann Arbor, Mich., formerly Banking Commissioner of the State of Michigan. Those serving with Mr. Reichert will be: Carl W. Fenninger, Vice-President, Provident Trust Co., Philadelphia; Tom K. Smith, President, The Boatmen's National Bank, St. Louis; L. A. Tobie, President, Meriden Savings Bank, Meriden, Conn., and C. C. Wattam, Secretary, North Dakota Bankers Association, Fargo, N. D.

Warns Against Danger Of United States Becoming A Totalitarian Nation

Making the statement that "there is some danger that our country may go totalitarian," Eric A. Johnston, President of the Chamber of Commerce of the United States, warned on March 24 that "if that danger is not averted, the cause of world peace, too, will be endangered." Mr. Johnston's views were expressed in an address under the title, "The Road to Realism," delivered in New York before the Institute of Arts and Sciences at Columbia University. Only recently Mr. Johnston made a tour of half a dozen South American countries, in his capacity as Chairman of the U. S. Commission of Inter-American Development. Following his return to Washington, Mr. Johnston had lunch with President Roosevelt on March 21.

In his address at Columbia University on March 24, Mr. Johnston's warning of totalitarianism, it is stated, was based on his assertion that "wherever Government has entered private enterprise, such as in national socialism, it has come to dominate business." The New York "Times" indicating this, quoted Mr. Johnston as adding:

"In any partnership between all powerful Government and a business organization, large or small, the private side of the combination inevitably becomes the silent and helpless partner. By the same token, whenever Government has entered into partnership in trade unions—as in Germany, for instance — it has meant that the trade unions were reduced to total impotence.

"Americans throughout their history have harbored a healthy distrust of 'big Government.' That distrust remains our greatest defense against superstatism. I address myself especially to liberals and progressives in urging that this wholesome fear of too much Government be kept alive. There never was a time in our career as a nation when it was more important to weigh every project for State control in the scales of personal liberty and personal initiative."

In the same advices he was reported as follows:

"He said capital and labor must provide "more equal opportunity for production, for employment and for economic self-improvement," and asked:

"Shall we admit that the American genius for organization, which has given the world the techniques for mass production and made our living standards the envy of all other nations, cannot solve the problem of an equitable distribution of the abundance we can produce? Shall we resign ourselves to compulsive distribution by a super-Government?"

Mr. Johnston also stated that "those of us concerned with preserving the peace must watch and judge any tendency to put more and yet more authority into the hands of any Government." According to the Associated Press he added "every time the State subsidizes an individual, the State by that act becomes more authoritative and the individual gives up some right." Continue the process, he said, and the State becomes "total and absolute."

From the New York "Journal of Commerce" we take the following regarding Mr. Johnston's remarks:

"He urged both capital and labor to put their best minds and energies to planning work for all, saying:

"We have no warrant to criticize utopian schemes for automatic and miraculous security unless we accept the challenge of our times and begin immediately to improve our competitive capitalism."

"But he said business and management must be given opportunity and freedom to solve problems. 'They cannot do so if they are hampered by needless restrictions—nor if incentives to initiative are destroyed. They cannot do it unless they are allowed to accumulate sufficient reserves for future development and future employment.'"

He said if business fails to do the job, either through being stifled by restrictions or through lack of willingness to think daringly, "we shall be saddled with a super Government and forced into a way of life that will be regulated by bureaucratic edict." Mr. Johnston added that "a strong, prosperous and, above all, free United States is essential to the health and peace of the entire world."

In his talk with the President on March 21, Mr. Johnston told of plans for a vast program for the post-war development of South America by American capital, it is learned from Washington advices March 21 to the New York "Herald Tribune," from which we also quote in part as follows:

"These economic projects for the exploitation of the huge and untapped natural resources of the Latin-American world are to be carried out through an organization of the Inter-American Development Commission, branches of which already have been set up in all of the 21 American republics."

Mr. Johnston, who received the press after lunching with the President, announced the appointment of William F. Machold, of Philadelphia, as the Managing Director of the United States branch of this Pan-American business organization. Mr. Machold, who is 38 years old, has been connected with the office of Nelson A. Rockefeller, Co-ordinator of Inter-American Affairs, for the last three years.

Mr. Johnston indicated that the international headquarters of the Inter-American Development Commission would be set up soon, probably in Washington. He said the organization at present was being financed by the State Department under the direction of Sumner Welles, Under Secretary of State, and by Mr. Rockefeller, but that after the war it would be financed by private capital.

"The program must be carried on by private industry, and not by the governments," Mr. Johnston said. "The incentives of private industry must be kept alive for the post-war world."

"He was asked if Mr. Roosevelt had agreed with this view. Mr. Johnston replied that this point didn't come up in the two hours' conversation he had with the President, but he said that Mr. Rockefeller shared this opinion. Mr. Johnston added that Mr. Roosevelt showed great interest in the general objectives of the plan."

An item bearing on Mr. Johnston's tour of Latin America appeared in our March 11 issue, page 297.

WLB Revises Rules For Wage Adjustments

The National War Labor Board on March 11 adopted a short-cut method and a series of simple yardsticks to speed up the handling of voluntary requests for wage and salary changes, to lighten the burden on small employers and to enable needed upward wage adjustments to eliminate substandards of living. Advices from the OWI, indicating this, said:

"These yardsticks were adopted as a result of urgent requests by the Regional War Labor Boards for changes in procedure to facilitate application of the standards set forth in the Act of Congress of Oct. 2, 1942, and the President's wage stabilization order of Oct. 3. These changes were also the result of a series of regional inspection trips recently completed by tripartite groups of Board members.

"The Board granted authority to its Regional Boards to make short cuts in its procedure in the case of voluntary increases requested by employers, or jointly by employers and unions, under certain specified conditions. Chief feature of the shortened procedure is the elimination of complicated statistical wage analyses, which have tied up the personnel of the Board and caused delays in the disposition of cases. These short cuts may not be used if 'the facts show that approval would have unstabilizing effects or would otherwise conflict with the national wage stabilization policy,' or if the proposed adjustment would affect a price ceiling.

"The main conditions under which the short cuts may be granted under the new rules are as follows:

"1. **To Correct Interplant Inequalities**—The Regional Boards were given authority to make surveys to determine 'the most frequent rate or range of rates, as the case may be, for the same or substantially similar occupations' by industries, communities or labor market areas, and to use the shortened procedure in passing upon applications for wage adjustments.

"2. **To Eliminate Substandard Wages** — Regional Boards were given authority to determine 'what constitute substandard wage or salary rates in their regions for the purpose of permitting consideration under the shortened procedure of proposed adjustments up to the specified minima.' Pending this determination, the adjustment of wage or salary rates up to 50 cents an hour or $20 a week may be handled by the shortened procedure. The Regional Boards are not to consider this figure as 'in any way limiting' their discretion to fix the minimum at a point either higher or lower.

"3. **To Eliminate Inequalities for Individuals or Small Groups**— Regional Boards can use the shortened procedure in passing upon adjustments proposed by employers of 200 or less in order to eliminate inequalities, if the adjustment affects no more than 10 employees or 10% of the employees and does not exceed 5 cents an hour. Employers will not be allowed to claim later that other inequalities have been caused by such adjustments.

"4. **The Power of the Regional Wage Stabilization Directors** — Under the new procedure the Wage Stabilization Directors of the Regional Boards will be allowed to rule on all cases involving employers of 200 or less, and all cases where adjustments are requested under the Little Steel formula. This will take a considerable burden off the shoulders of the members of the Regional Boards, which are now required to rule on cases involving employers with more than 100 workers, and those involving the Little Steel formula in industries other than 29 specified by the Board in its wage policy of Nov. 6, 1942.

"The Board vote on the new procedure was unanimous, although the AFL members did not participate."

NAM Principles For U. S. Post-War Prosperity; Sees Economic Progress Through Co-operation

(Continued from first page)

The NAM Post-war Committee recounts three objectives which it believes the United States and its associates must attain to maintain a post-war peace and international well-being:

"1. That the world must have no more wars.

"2. That the peoples of the world should have an opportunity to live peacefully and to gain prosperity under institutions of their own choice.

"3. That some framework should be established through which the political and economic relationships between nations of the world can be developed and maintained on an orderly basis."

The report contends that whether capital funds for the improvement of undeveloped countries should be made available through private enterprise or governmental action, "adequate agencies should be established to insure that they are administered with due regard for whatever obligations may be incurred in making them available."

"Free enterprise is the rule of our country," the report continues. "It does not follow, however, that free enterprise will necessarily be the rule in the countries where great developments are likely to take place.

"Because of such differences in economic organization some international agency must be set up to reconcile conflicts of interest in international investments."

The committee's other recommendations in the international field include these:

"Each nation has the right to determine for itself whether it will accept foreign investments and the terms upon which they may be made, and . . . "The United States Government should take appropriate action to protect the property, rights, and interests of American citizens in foreign countries."

"Monetary systems should be stabilized by international machinery. "An international currency for all peoples of the world would probably be impracticable from an administrative standpoint."

"This nation should look forward to reducing interest on lend-lease operations—but not to reducing the principal.

"Government corporations abroad should be liquidated after the war.

"The present-day cooperation in world communications should be extended in fields of aviation, radio, and shipping, with precautionary eye on air transport lest it be developed for war purposes under cover.

"International transportation should be carried on under private ownership.

"Government can usefully cooperate in supervising international migration.

"The United States should aid other countries in developing their natural resources and industry, thereby raising economic value of mutual trade.

"Access to trade should be eased by the reduction of tariffs and access to raw materials should be facilitated by insistence on trade without discrimination. "It (trade) must be dealt with continuously by individual countries and by world-wide agencies organized for that purpose."

"If this nation has a food surplus above the requirements of its population, "then it would be logical and desirable for the United States to ship promptly its own surplus to countries, under such terms of settlement as the circumstances warrant."

"Government should remain out of foreign trade except in certain proper functions. (These functions —seven of them—are fully treated.)

"Colonies must not be created by war or seizure. Their inhabitants must be advanced as fast as practicable toward self-government.

"Our best chance for economic progress in the United States will be through cooperation with other nations in a real effort to maintain post-war world peace, and to participate in international agencies for that purpose," the report says. "This need not mean, as some seem to fear, a surrender or loss of sovereignty, but action pursuant to international agreement."

An 11-point program of general principles for sound labor 'development in the post-war years—including recommendation of *"collective negotiation"* — is offered by the committee.

At the same time, the Committee outlines a 17-point program of suggestions to American management whereby industry could be an effective aid in meeting post-war problems.

The Association has been actively interested in the study of long range economic problems since 1935 and the Post-war Committee, which prepared the present report, comprised of 92 of the nation's outstanding industrial leaders, is a continuation (renamed) of a committee appointed some six years ago.

The Committee was headed by S. Bayard Colgate, Chairman of the Board of the Colgate-Palmolive-Peet Co., who devoted an unusual amount of time, research, and planning as Committee Chairman to present the general principles which the group believes are necessary to a solution of post-war problems.

Serving as Vice-Chairmen with Mr. Colgate were Frederick C. Crawford. now NAM President, and President of Thompson Products, Inc., Cleveland, O.; John Airey, President of King-Seeley Corp., Ann Arbor, Mich., and James H. Robins, President, the American Pulley Co., Philadelphia, Pa. Messrs. Colgate and Airey now serve on NAM's board of directors.

The committee membership is composed of industrial leaders from 58 cities or towns in 21 states of the union.

BEW Plan For Post-War Disposal Of Surplus Called Dangerous To Private Enterprise

Protest against plans of the Board of Economic Warfare "to sell, barter, lend-lease or give away" after the war its stocks of commodities accumulated in foreign countries is contained in an open letter addressed by William B. Craig, President of the New York Coffee & Sugar Exchange, Inc., to Vice-President Henry A. Wallace, who is head of the BEW.

"We realize," Mr. Craig states, "that when the war is ended the United States Government will be the owner of vast quantities of merchandise of all kinds. However, it is the bounden duty of our public officials so to handle those surpluses as to prevent the destruction of free enterprise here or abroad."

Mr. Craig warns that "serious injury would be caused the economies of Latin American countries, in flagrant violation of the good neighbor policy, if our stockpiles of the commodities which they normally export to Europe are given away or thrown on the market for what they will bring after the war." "Nothing should be done by this nation," he says, "in the disposal of existing great caches of sugar, coffee and other commodities which will weaken or destroy the agricultural, economic and financial systems of our Allies by preempting their markets for new production."

As a constructive solution of the problem, Mr. Craig proposes that plans be formulated immediately by the BEW "for the orderly marketing, through normal trade channels, of merchandise owned and controlled by it or any of its agencies, immediately upon the cessation of hostilities." "If it is necessary," he adds, "for our Government to finance stricken countries so that they may purchase commodities that we own or control, a program should be so worked out to distribute these products through normal channels of trade, here and abroad."

Mr. Craig's letter to Vice-President Wallace was evoked by a statement by Richard D. Quinlan, Chief of the Coffee Section of the Board of Economic Warfare, that the BEW and the Commodity Credit Corporation insist on complete freedom to dispose of commodities accumulated in foreign countries in any way they please all over the world. Such a program, Mr. Craig insists, would "make a mockery of the oft-repeated statement that we are fighting to protect the American way of life."

The open letter of Mr. Craig to Vice-President Wallace goes on to say:

"In addition to preserving our American institutions and our American methods, every consideration must be given to our good neighbors of the Western Hemisphere, who in good faith during the war period have cooperated willingly, despite sacrifices, with the general program of the United States Government in handling their coffee, sugar and other crops.

"We believe that, if it is necessary for our Government to finance stricken countries so that they may purchase commodities that we own or control, a program should be worked out to distribute these products through normal channels of trade, here and abroad. If the United States, desirous of feeding broken nations after the war, finds it necessary to make financial loans to them so that they may buy sugar, coffee, wheat, clothing, etc., even though our Government owns such merchandise, it should be handled by those established enterprises here and abroad normally marketing such goods, making available their experienced services and organizations at reasonable cost.

"At best, such a policy as outlined by Mr. Quinlan is wasteful duplication of private effort by the Government. At worst, it calls for the substitution of the State for free enterprise, and so is a long step away from our American concepts.

"We urge, therefore, that stocks of sugar, coffee, minerals and other commodities in the possession of the Government at the close of hostilities shall be disposed of:

"1. Through the established channels and by the methods of free enterprise;

"2. In such a way as not to depreciate or destroy the value of all future crops that farmers will raise, financial institutions will finance and businessmen will merchandise; and

"3. In ways that will not injure other nations and above all our good neighbors in Latin America who raise these commodities.",

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Rationing Of Meats, Fats, Butter, Cheese And Canned Fish Begins Under Point System

Rationing of meats, edible fats and oils (including butter), cheeses and canned fish under the point system began on March 29. The Office of Price Administration made public on March 24 the official point values for these newly rationed foods. As in the case of processed foods, the point values are stated on a per pound basis with differences in values according to the supply situation and with regard to consumer preferences. The red stamps from War Ration Book Two are being used to obtain these food supplies, with each person, regardless of age, having a basic allotment of 16 points a week to spend during the month of April. Under the point values, an average weekly ration of about two pounds of meats, butter, cheese, fats and oils and canned fish will be permitted with the allocations to depend on the individual's preference. The most popular meats, cheeses and butter are valued at eight points a pound, while canned fish calls for seven points and lard five points.

Price Administrator Prentiss M. Brown had announced on March 12 the OPA's plans for rationing these foods, following receipt of official authorization from Secretary of Agriculture Claude R. Wickard.

It was necessary to "freeze" retail sales of butter and fats and oils for one week prior to the beginning of rationing. The one week (March 22-29) "freeze" on retail sales of fats and oils, OPA officials explained, was necessary because inventories of these foods were not large enough to support heavy public buying in the week remaining before rationing.

Although there was no "freeze" of sales of meats, supplies were reported to be at exceedingly low levels throughout the nation. In view of this situation, the OPA disclosed on March 29 that the Army, Navy and Lend-Lease will keep their buying at minimum needs to help meet any acute meat shortages. The order requiring the meat industry to set aside specified percentages of their output for war purposes was suspended for two weeks.

As directed by Secretary Wickard, the latest rationing program includes:

"All fresh, frozen, cured, smoked, and canned meats and meat products derived from beef, veal, lamb, mutton and pork, as well as 'variety meats' and sausages;

"Canned fish and canned shellfish;

"The most important natural and processed cheeses, and most of their derivatives, but not the cottage type and cream cheeses; and

"Most edible fats and oils, including butter, lard, margarine, shortening, salad oils, and cooking oils (excluding mayonnaise and salad dressings)."

The OPA announcement of March 12 further stated:

"The latest program does not involve any declaration by consumers of the amount of the newly rationed foods on hand. This exemption extends to food stocks in so-called 'frozen locker plants,' largely used by farmers for storing meat produced by them and slaughtered for home consumption.

"In the first month, each holder of War Ration Book Two, regardless of age, will have a basic allotment of 16 points a week to spend and family shopping may be done with the books of all members. During the first five weekly periods, red stamps from War Ration Book Two will become valid and will expire as follows:

"Week beginning Mar. 29, stamps bearing letter A (16 points) expire April 30.

"Week beginning April 4, stamps bearing letter B (16 points) expire April 30.

"Week beginning April 11, stamps bearing letter C (16 points) expire April 30.

"Week beginning April 18, stamps bearing letter D (16 points) expire April 30.

"Week beginning April 25, stamps bearing letter E (16 points (to be announced).

"All restaurants, hotels, and other institutional users will be allotted supplies of the rationed foods on a basis that will reduce their use of these foods to approximately the same level as that of the private individual who eats at home.

"Similarly, the amounts of the newly rationed foods allotted to industrial users will be under strict control. In fact, every pound of meat, cheese and all of the rationed items will be sold under the point system, even in the case of sales to the Army, Navy and Lend-Lease. These latter buyers, however, will have point credits to the full extent of their needs in official ration bank accounts and may buy as much as they need on presentation of the correct number of points by means of ration bank checks.

"By order of the Secretary of Agriculture, none of the rationed meats may be used in the manufacture of dog foods. The OPA rationing plan makes no provision for pet rations.

"Point values for the entire list of newly rationed foods will be the same in every retail store in the country—just as they are for canned goods. There will be approximately 150 meat items on the official table of consumer point values, and a separate chart for Kosher stores with about 60 types and cuts. Cheeses, fats and oils, and canned fish will be listed on the meat chart. At least one official point list must be posted in each store, and, in addition, point values must be posted at or near the place where the rationed items themselves are sold.

"Changes in point values will be made from time to time, but probably not oftener than once a month, to reflect changes in supply and in consumer demand.

"As each series of red stamps becomes valid it may be used with complete freedom of choice by a consumer to buy any one of the rationed products. There is no distinction made in the use of red stamps as between meats and cheeses, butter, the other edible fats and oils, and canned fish. A housewife may divide up her point spending in any manner to fit her family's eating habits, using whichever series of stamps happens to be valid at the time.

The new OPA program is tailored to this involved situation and aims to make the rationing work for the public and every member of every trade concerned with the least possible disturbance and inconvenience.

Price Administrator Brown on March 13 cautioned housewives that they cannot expect to be able to buy every kind and variety of meat on the day that rationing begins, and perhaps for a week or two after. He also asked the "forbearance of the public in the first few weeks of rationing while the trade is adjusting itself to new demand and supply conditions."

Tightening Labor-Supply Conditions Support Current Manpower Concern: Conference Board

The growing concern over the nation's ability to meet projected manpower requirements of the armed forces and of agriculture finds further basis in the tightening labor-supply conditions prevailing in the opening months of this year, according to the National Industrial Conference Board. The Bcard points out that normally the pressure of production upon the labor supply is lowest at this time; it further notes that farming operations are at their seasonal slack, employment in retail and wholesale trade is reduced following holiday peaks, and construction activity is also curtailed. Despite these seasonal recessions, which occurred again this year, employment in January totaled 57,400,000, and continued to exceed the economic labor force for the ninth successive month, the Board's figures reveal. The Board likewise observes:

"In January, 1942, almost 5,000,000 unemployed workers were available to meet the manpower requirements as they developed later in that year. This January, the number already at work or in uniform was 2,000,000 above the nation's entire labor force in peacetime. Against this background, manpower requirements for the months immediately ahead loom large." The Board goes on to say:

"By mid-year an additional 3,500,000 to 4,000,000 workers will be needed on farms alone. At least 4,000,000 more must be placed in uniform to bring the armed forces to their projected strength of 11,000,000. Moreover, Senator Downey recently indicated that the number in uniform might rise to 15,000,000 by the year's end, which would double the projected drain upon manpower. Finally, further additions to the number engaged in war work are variously estimated from 1,800,000 to 2,500,000."

With 15,000,000 in military service, there would be only about three workers engaged in civilian production off the farm for every uniformed person, it is estimated.

Presenting further details of the current manpower situation, the Board adds:

"In the face of 1943 goals calling for an increase of 7% in total agricultural production, farm employment was lower in January than any comparable January total for the previous 18 years. The number at work on farms was about 8,270,000, as compared with 8,414,000 in 1942, 8,476,000 in 1941, and over 9,000,000 in the late Twenties and through the middle of the Thirties. Farm family employment was only slightly lower than in 1942, but the number of hired workers was fully 125,000 below last year. All geographic regions reported a lower total of hired workers, decreases ranging from 2.5% in the Pacific area to about 12% in the Mountain and West North Central regions.

"Fully 40,000 new workers were taken on in manufacturing plants in January, reversing the normal seasonal pattern of a reduction in factory personnel in that month. Seasonal reductions which continued in some of the non-durable goods industries were more than offset by substantial increases in employment in heavy war industries, particularly in transportation equipment. Total factory employment had risen to 15,800,000 in January, 1943, as against 12,100,000 so employed in January, 1941, and 13,600,000 in January, 1942."

Calls For Post-War Return Of Gold As Basis For Credit Structure And No Control Of Foreign Exch.

International commerce will be impossible after the war without a sound international financial structure with an equalizor to measure the value of one currency against another, and this can be achieved only by the acceptance of gold as an officially recognized world-wide monetary standard, according to J. Spencer Smith, Vice-President of the First Federal Savings and Loan Association of New York and President of the Tenafly (N. J.) Trust Co. in an address on March 18 before the Engineers' Club of New York.

Coupled with the re-establishment of a stable, universal medium of exchange, Mr. Smith said, must be an agreement by the governments of the world not to deal in or artificially control foreign exchange, so the international exchange of goods and services will not be restricted or constantly impeded by false, government-rigged fluctuations in the value of money.

Without a prompt solution of the foreign exchange problem, Mr. Smith warned, the immediate post-war period may witness a foreign trade restricted almost exclusively to government originated relief and rehabilitation shipments.

After the armistice, said Mr. Smith, there will be lengthy peace discussions involving boundaries, armaments and various social, political and economic questions. But pending these long discussions, he said, commerce would be speedily revived, and prosperity hastened, if the United States and Great Britain would agree upon the respective gold contents of the Dollar and the Pound, and the price they would pay for all gold, and Congress and Parliament would enact the points of the agreement as law. This. Mr. Smith said, would immediately stabilize and integrate both these major world currencies, and stabilization of all other currencies would soon follow as they inevitably attached themselves to either the Dollar or the Pound. He added that there might be other solutions equally worthwhile, but regardless of method it will be to our own selfish advantage to sponsor world trade and world prosperity after the war, because we will not be able to prosper very long if the rest of the world is in a financial depression.

Declaring that proposed commodity dollars would have a doubtful stability, because the commodities behind them would be subject to wide fluctuations, natural destruction hazards, and susceptible to clever rigging, Mr. Smith observed that despite government controls and restrictions on almost all foreign exchange in recent years, gold is still the only accurate measure of the value of any given country's currency in relation to another country's money.

Though pre-war maneuvering, and war itself, disrupted and ended all normal foreign exchange and commerce, he noted that regardless of whether a country's currency has been officially listed as "on" or "off" a gold standard, the yellow metal has always been the determining, if unofficial, yardstick for all trade and calculations. The commercial transactions not only of America, but of the world, are based on credit, and confidence, rather than money, contended Mr. Smith, who also is Treasurer of the Interstate Sanitation Commission, President of the New Jersey State Board of Commerce and Navigation, President of the American Shore and Beach Preservation Association, a former Vice-Chairman of the Port of New York Authority, and former President of the American Association of Port Authorities.

OPA Approves Price Rise

The Office of Price Administration authorized on March 23, higher retail prices, averaging 10 to 15% above present levels, for 12 specified lines of finished silverware and other items containing newly-mined domestic silver, such as jewelry, jewelry findings, pens, pencils, watch cases, mirrors, tinsel, zippers, ecclesiastical ware, insignia, and eye-glass and spectacle frames and mountings.

The New York "Herald Tribune," in advices from its Washington bureau reporting this, added:

"The order provides that manufacturers, wholesalers and retailers may increase their maximum prices on such goods by 36 cents for each troy ounce of fine silver contained in the article.

This simplified pricing procedure, requiring no reporting to OPA, has been authorized to compensate for substitution of newly-mined domestic silver for foreign silver in the manufacture of these articles. Substitution of domestic silver has been made necessary by War Production Board orders prohibiting the use of foreign silver in an extensive list of items. The difference between the former price of foreign silver and the statutory price of domestic silver as fixed by Congress is 36 cents an ounce.

The increase is permitted only on items containing newly-mined domestic silver, delivered by the manufacturer after March 23.

Shipping Bill Approved

President Roosevelt signed on March 24 the bill amending and clarifying certain functions of the War Shipping Administration. Final Congressional action came on March 15 when the House adopted the conference report, which the Senate had approved on March 12. The bill deals with seamen's benefits, insurance protection for seamen and their dependents, ship requisitioning, insurance coverage and several other matters.

The measure originally passed the House on Feb. 15, and the Senate in amended form on March 2.

The major provisions of the bill (1) Authorize WSA to limit its liability with respect to the vessels it operates directly, or under time or bareboat charters, or by other arrangements;

(2) Establish for merchant seamen the same insurance, unemployment and old-age benefits that they would enjoy on vessels operated by private steamship operators, and insure prompt payment of indemnities in case of death or injury, whether attributable to war or marine risk coverage;

(3) Clarify authority of WSA to make deposits as compensation for requisition of idle foreign merchant ships; remove restrictions on the amount of commissions and expenses allowed by WSA to insurance carriers reinsuring with the Administration; and

(4) Clarify certain provisions of existing law concerning insurance coverage on vessels in which the Federal Government has acquired an interest.

House Returns Pay-Go Tax Proposals To Committee After Rejecting Ruml Plan

The House on March 30 rejected both the Ruml plan and the "no abatement" bill drawn by the Ways and Means Committee and returned the whole pay-as-you-go tax issue to Committee. This action shelves all legislation for current payment of taxes for the time being, and it is not likely to come up for consideration in the near future.

The Ruml plan for skipping a tax year, embodied in a bill by Representative Carlson (Rep., Kan.), was rejected by a vote of 215 to 198. The House had first, in committee of the whole, decided in favor of substituting the Ruml plan for the Ways and Means Committee's "no abatement" bill. This vote was 199 to 188. However, when the issue came before the full House, the Democratic majority, together with a group of Republicans, voted down the plan.

By a vote of 248 to 168, the Ways and Means Committee's bill was recommitted. The Committee's bill provided for a 20% withholding tax on salaries and wages, effective July 1, and permitted taxpayers to put themselves on a current basis by paying two years' taxes in one. A special "discount" plan is also included in the bill as an incentive to have taxpayers meet their 1943 taxes before they come due.

Other pay-as-you-go tax proposals providing for tax abatement in various amounts were also rejected, including one by Representative Clare Luce (Rep., Conn.) to cancel 1942 tax liability on individual taxable income up to $25,000.

No effort was made to consider the most-discussed compromise plan, offered by Representatives Robertson (Dem., Va.) and Forand (Dem., R. I.), which would cancel 1942 taxes owing under the 6% normal tax and 13% first bracket surtax.

The Ruml and virtually all other compromise suggestions embraced those provisions of the Committee's bill calling for a 20% withholding tax as a means of source collections against tax liabilities.

Four days of bitter debate on the tax question preceded the House's decision. The Democratic opponents of the Ruml plan contended that the Government would lose $10,000,000,000 in that each taxpayer would pay one year less taxes—on the large national income year of 1942. The Republican supporters of the plan, however, held that no taxes would be forgiven since taxpayers would immediately transfer to a pay-as-you-go system of paying taxes in one year on the basis of income in the same year.

Houston Named To NLRB

John M. Houston, former Democratic Representative from Kansas, was nominated by President Roosevelt on March 5 to be a member of the National Labor Relations Board. Mr. Houston, who was defeated for reelection to the House last November, was named to succeed William M. Leiserson, who has returned to membership on the National Mediation Board.

Mr. Houston was in the retail lumber business in Newton, Kans., for 15 years and served two terms as Mayor of that city, and four terms in the House.

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **American Savings & Loan Association**
  17 East First South Street, Salt Lake City, Utah
- **Capitol Federal Savings & Loan Association**
  1665 Broadway, Denver, Colo.
- **Capitol Savings & Loan Company**
  112 East Allegan Street, Lansing, Mich.
- **Colorado Federal Savings & Loan Association**
  1608 Welton Street, Denver, Colo.
- **Denver Federal Savings & Loan Association**
  719 Seventeenth Street, Denver, Colo.
- **Empire Savings Building & Loan Association**
  1654 Welton Street, Denver, Colo.
- **Fidelity Savings & Loan Association**
  315 South Burdick Street, Kalamazoo, Mich.
- **First Federal Savings & Loan Association**
  506 E. & C. Building, Denver, Colo.
- **First Federal Savings and Loan Association of Detroit**
  Griswold at Lafayette, Detroit, Mich.
- **Industrial Federal Savings & Loan Association**
  1630 Stout Street, Denver, Colo.
- **Mid Kansas Federal Savings and Loan Association**
  215 South William Street, Wichita, Kans.
- **Midland Federal Savings & Loan Association**
  17th & Glenarm, Denver, Colo.
- **Mutual Home Federal Savings & Loan Association**
  88 Market Avenue, N. W., Grand Rapids, Mich.
- **Northwestern Federal Savings & Loan Association**
  823 Marquette Avenue, Minneapolis, Minn.
- **Peoples Federal Savings and Loan Association**
  Griswold at Congress Street, Detroit, Mich.
- **Pomona First Federal Savings and Loan Association**
  260 South Thomas Street, Pomona, Calif.
- **St. Paul Federal Savings and Loan Association**
  Fourth at Wabasha Street, St. Paul, Minn.
- **San Francisco Federal Savings and Loan Association**
  705 Market Street, San Francisco, Calif.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.
- **Standard Savings and Loan Association**
  Griswold at Jefferson, Detroit, Mich.

*Guardians, insurance companies, State, school and municipal sinking funds, firemen's, police and other pension funds, etc.

Bill Introduced To Abolish The RACC

A bill calling for the "liquidation and dissolution" of the Regional Agricultural Credit Corporations was introduced in the Senate on March 23 by Senator Kenneth S. Wherry of Nebraska, and was referred to the Committee on Banking and Currency. The measure would also repeal the laws authorizing the creation and operation of the corporations and require that their funds be returned to the Treasury. It was sponsored by Senators Wherry, Harry F. Byrd of Virginia, Walter F. George of Georgia, Kenneth McKellar of Tennessee, and Gerald P. Nye of North Dakota.

Discontinuance of the lending activities of the RACC loan program and the consideration by Congress of legislation providing for the immediate liquidation of the corporations were the principal recommendations made to Congress on March 12 by the Joint Committee on Reduction of Non-Essential Federal Expenditures, headed by Senator Byrd, in the report of its investigation of the RACC.

The bill introduced on March 23 provides that the "Governor of the Farm Credit Administration is hereby directed, as rapidly as practicable, to liquidate the assets of and wind up the affairs of each Regional Agricultural Credit Corporation and each branch thereof which is in existence on the date of the enactment of this Act." The bill further provides:

"The Governor shall pay to the Secretary of the Treasury any money belonging to such corporation or branch thereof which is in excess of the amounts determined by the Governor to be reasonably necessary to meet the requirements of such corporation or branch thereof during liquidation. Capital stock of such corporations equal in par value to the amounts so paid to the Secretary of the Treasury shall be cancelled and retired. After the liquidation of all the assets of any such corporation, and after provision has been made for payment of its outstanding legal obligations, the remainder of the funds of such corporation shall be paid to the Secretary of the Treasury, and thereupon such corporation shall be dissolved, and the remainder, if any, of its capital stock shall be cancelled and retired. All amounts so paid to the Secretary of the Treasury, and all funds held in the Treasury of the United States on the date of enactment of this Act which are available for the purpose of increasing the capital stock of any Regional Agricultural Credit Corporation, shall be covered into the general fund of the Treasury as miscellaneous receipts.

"The Governor shall report to Congress every 90 days the progress made towards liquidating the Regional Agricultural Credit Corporations under the provisions of this Act."

In addition to urging the discontinuance of the lending activities of the RACC, the Byrd committee recommended that the Secretary of Agriculture immediately issue a regulation requiring the various lending agencies under its jurisdiction to discontinue the solicitation of loans. In all, the committee made six recommendations, as follows:

"1. That the Department of Agriculture immediately discontinue the lending activities of the Regional Agricultural Credit Corporation loan program.

"2. That Congress consider legislation providing for the immediate liquidation of the regional agricultural credit corporations, and that all funds not needed in the liquidation of such corporations be returned immediately to the Treasury of the United States.

"3. That the Secretary of Agriculture immediately advise Congress as to how the various lending agencies of the Department of Agriculture can best simplify and consolidate their activies in order to prevent duplication and overlapping in the power to loan funds, thereby reducing to a minimum the personnel engaged in such lending activities as well as the cost of administration.

"4. That the Congress enlarge the statutory authority of the emergency crop and feed loan program of the Farm Credit Administration, which is already in existence, in order to provide credit for farmers when such a need is required in furtherance of the war food production program. Senate Bill No. 715 is now before the Senate Agricultural Committee.

"5. That the Secretary of Agriculture immediately issue a regulation requiring that the various agricultural lending agencies discontinue the solicitation of borrowers.

"6. The committee express the hope that existing private banking institutions will make available agricultural loans at interest rates as low as possible consistent with the nature of the security pledged therefor."

The report resulted from hearings held by the committee on Feb. 17 and 19 at which the American Bankers Association presented extensive testimony through a number of witnesses under the direction of Vice President A. L. M. Wiggins, who is Chairman of the A. B. A. Committee on Federal Legislation.

It criticizes the Department of Agriculture for its action in reviving the dormant RACC as a general lending agency in agriculture. It supports the position taken by the A. B. A. in opposing the project. It confirms the testimony of A. B. A. witnesses that the plan is not a war necessity nor one which will not compete with banks. On the contrary, it states that "increased food production is not dependent on new sources of credit," and demonstrates that RACC representatives are aggressively soliciting loans in competition with country banks. The A. B. A. protest against the revival of the RACC was referred to in these columns March 11, page 936.

OWI Given Control Of Foreign Propaganda

President Roosevelt issued an executive order on March 10 clarifying foreign propaganda duties of the Office of War Information and the Office of Strategic Services. In the OWI, headed by Elmer Davis, the President placed responsibility for the planning, development and execution of "all phases of the Federal program of radio, press, publication and related foreign propoganda activities involving the dissemination of information."

It was explained that the OSS, directed by Col. William J. Donovan, will continue to handle military matters in cooperation with the War and Navy Departments, subject to the approval of the joint chiefs of staff.

Associated Press Washington advices reported the following:

In assigning the propaganda field definitely to the OWI, the new White House order directed that the program in areas of "actual or projected military operations" would be co-ordinated with military plans through the proper agencies of the Army and Navy and would be subject to approval of the chiefs of staff.

The OWI's authority shall not extend to the Western Hemisphere, the order specified, except in the United States and Canada. This preserved the Latin-American sphere for Nelson Rockefeller's office of the co-ordinator of inter-American affairs.

Chester C. Davis Appointed To Control Food Production And Distribution

President Roosevelt announced on March 25 that he "had drafted" Chester C. Davis, President of the Federal Reserve Bank of St. Louis, to be in charge of the newly-created Adminstration of Food Production and Distribution in the Department of Agriculture.

Mr. Davis, who served for several years as director of the Agricultural Adjustment Administration, has taken a leave of absence from the bank and was sworn in to his new post on March 29.

The White House announcement said that Claude R. Wickard, Secretary of Agriculture, who was given full control over the nation's food program in December, will continue as a member of the War Production Board, the Economic Stabilization Board, the Combined Food Board "and other committees which now consume a large portion of his time and prevent his giving to the administration of operative activities the time he would like to devote to such administration."

Under the Dec. 5 executive order, Mr. Wickard was given complete power over the production and distribution of the nation's food supply, which duties are now transferred to Mr. Davis.

The Food Administrator has appointed Jesse W. Tapp, a Vice-President of the Bank of America (California) and former President of the Federal Surplus Commodities Corporation, as his chief assistant.

The White House announcement follows:

"The President today announced the creation in the Department of Agriculture of an Administration of Food Production and Distribution under the direction and supervision of an administrator appointed by the President.

"The President announced that he had drafted Mr. Chester C. Davis to serve as administrator. Mr. Davis was for several years the director of the Agricultural Adjustment Administration and is now the President of the Federal Reserve Bank at St. Louis, Mo. He has agreed to accept the appointment, will secure a leave of absence from his bank and report for duty next Monday.

"The Administrator will have charge of what may be called the food production and distribution activities of the Department, including the Agricultural Adjustment Administration, the food distribution activities that were transferred to the Department of Agriculture by the War Production Board last December, and the recruitment of farm labor recently transferred to the department by the War Manpower Commission.

"The activities of the Department as it existed prior to its expansion a few years ago, including among others, research forestry, and the Farm Credit Administration, will continue as at present. The Secretary of Agriculture will continue as a member of the War Production Board, the Economic Stabilization Board, the Combined Food Board, and other committees which now consume a large portion of his time and prevent his giving to the administration of operation activities the time he would like to devote to such administration."

The transfer of activities last December was noted in these columns of Dec. 10, page 2070.

Mr. Davis has been President of the Federal Reserve Bank of St. Louis since May, 1941, and for almost five years prior to that time served as a member of the Board of Governors of the Federal Reserve System in Washington. A native of Iowa, Mr. Davis, who is 55 years old, began his business career in 1911 as a newspaper editor. He was associated with the Montana Department of Agriculture from 1921 to 1925 and was later connected with the Illinois Agricultural Association, the National Cornstalk Processes, Inc., and the Maizewood Products Corp. Early in 1933 he was appointed Direction of the Production Division of the AAA and in December of that year was made Administrator of the AAA. During the early part of 1936, at the request of the President, Mr. Davis made a trip abroad to survey trade conditions in Europe. He assumed his duties as a member of the Board of Governors of the Federal Reserve System on June 25, 1936.

His election to the St. Louis Reserve Bank post was noted in our issue of March 8, 1941, page 1513.

J. A. Farrell Dies: Ex-Head Of U. S. Steel

James A. Farrell, President of the United States Steel Corporation from 1911 until his retirement in 1932, died on March 28 at his home in New York City. He was 80 years old.

Mr. Farrell had been a director of the steel company until his death and had remained active as Chairman of the National Foreign Trade Council, which he helped to establish in 1914.

As typical of those who have forged ahead through hard work and unrelenting application, Mr. Farrell, a native of New Haven, Conn., started work in that city in a wire mill at the age of 16. He later worked as a laborer in the mills of the Pittsburgh Wire Co., and rose to be mill superintendent and manager.

Mr. Farrell organized a wire plant at Braddock, Pa., and when this company was absorbed by the American Steel & Wire Co. in 1899, he became general manager of exports.

When the United States Steel Corp. was organized in 1901, with American Steel & Wire as one of its chief subsidiaries, Mr. Farrell became head of the Foreign Development Division. Two years later, when the United States Steel Products Export Co. was formed, Mr. Farrell became its first President. He directed the corporation's foreign business until 1911, when he was elected President of United States Steel Corp., being the choice of Judge Elbert H. Gary. With the late J. P. Morgan and Myron C. Taylor, Mr. Farrell formed an important triumvirate in the company. When Judge Gary died in 1927, Mr. Morgan became Chairman of the Board and the operations of the company were divided—with Mr. Taylor handling finance and Mr. Farrell continuing as President and becoming chief executive officer in charge of operations. He served in this post until his retirement, which became effective April 18, 1932. Mr. Farrell served as Vice-President for many years of the American Iron and Steel Institute, and in 1929 was awarded the institute's first Gary Memorial Medal for meritorious service to the steel industry. In 1939 he received the Captain Robert Dollar Memorial Award from the foreign trade organizations in the United States for his contribution to the advancement of foreign trade.

From 1932 until 1939 Mr. Farrell was a director of the Chamber of Commerce of the United States, in which organization he served for several years as Chairman of the Foreign Commerce Committee and Chairman of the Special Committee on Merchant Marine. For many years he was a member of the American section of the International Chamber of Commerce.

He was an honorary President of the Pan American Society.

Mutual Savs. Banks Fund Found Adequate

Culminating a comprehensive and searching study of savings banking, the special committee on Deposit Insurance appointed by the Savings Banks Association of New York State reported on its findings on March 20 at the Association's annual mid-winter conference at the Waldorf-Astoria. Chairman Philip A. Benson concluded his report by stating that "the Committee is convinced that it is to the best interests of our depositors for member banks to remain in the Mutual Savings Banks Fund."

This conclusion was based on the following findings arising out of the Committee's studies:

"1. Both the Mutual Savings Banks Fund and the Federal Deposit Insurance Corp. are adequate to assimilate losses of their members resulting from bank operations.

"2. Deposit Insurance alone cannot protect against a national economic collapse. In such an event any action taken by the Federal Government would be on behalf of all of its citizens.

"3. The Mutual Savings Banks Fund was designed with Savings Banks Trust Co. and Institutional Securities Corp. to meet the special needs of the savings banks of this State.

"4. The cooperation of the Fund and the New York State Banking Department is a fortunate combination for the purpose of solving problems in the light of local conditions.

"5. Real estate, even in Manhattan, is expected not only to survive present conditions but also to improve.

"6. The members of the Mutual Savings Banks Fund are solvent and are in a position to absorb foreseeable losses.

"7. The excess earning power of the banks is capable of absorbing losses as they occur and will serve to restore and preserve the financial strength of the system."

Of the 132 savings banks in New York State, 123 are members of the Mutual Savings Fund and nine are members of the Federal Deposit Insurance Corp.

The Committee, which began its studies last August, presented the members of the Fund with a detailed confidential report covering its analysis of the "Condition of Savings Banks," "Trend of Real Estate in the State," "Federal Deposit Insurance Corp.," "Mutual Savings Banks Funds," and a comparison of the two insuring organizations.

Harned And McNulty Directors Of BBDO

Batten, Barton, Durstine & Osborn, Inc., announces the election of Samuel A. Harned and Harold C. McNulty to membership on its Board of Directors. Mr. Harned, who is a Vice-President and Account Executive, and Mr. McNulty, Vice-President and Art Director, take over memberships on the Board left vacant by Maj. Leslie Pearl, now with the Special Service Division of the Army, and Lt. Col. Egbert White, editor of "The Stars and Stripes" and "Yank," now in North Africa.

Mr. Harned, a graduate of New York University, joined the George Batten Agency twenty years ago as a copy writer, turning to the business side of agency work about ten years ago. Mr. McNulty joined Barton, Durstine & Osborn, Inc., in 1926, after graduating from Pratt Institute, and serving as art director with Thresher Service and Newell Emmett. Maj. Pearl and Lt. Col. White continue as Vice-Presidents of Batten, Barton, Durstine & Osborn.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 30	117.07	109.60	117.80	115.43	110.52	96.38	100.65	113.12	115.63
29	116.99	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
27	116.96	109.60	117.80	115.43	110.70	96.23	100.65	113.12	115.63
26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
25	116.90	109.42	117.80	115.43	110.52	96.07	100.49	113.12	115.63
24	116.86	109.42	117.30	115.43	110.52	95.92	100.49	113.31	115.63
23	116.86	109.60	118.00	115.63	110.52	95.92	100.49	113.12	115.82
22	116.86	109.42	117.80	115.43	110.52	95.92	100.49	113.12	115.63
20	116.86	109.42	117.80	115.43	110.52	95.92	100.32	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
18	116.87	109.42	117.80	115.63	110.52	95.77	100.32	113.12	115.63
17	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.63
16	116.87	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
15	116.87	109.42	117.80	115.43	110.52	95.77	100.16	112.93	115.43
13	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.43
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
11	116.89	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.63
10	116.89	109.24	117.60	115.43	110.34	95.77	100.16	113.12	115.63
9	116.90	109.24	117.60	115.24	110.34	95.62	100.16	112.93	115.43
8	116.93	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.43
6	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
4	117.02	109.42	117.80	115.24	110.34	95.92	100.32	112.93	115.43
3	117.02	109.24	117.60	115.24	110.15	95.77	100.16	112.93	115.43
2	117.07	109.24	117.60	115.24	110.15	95.62	100.16	112.93	115.43
1	117.10	109.24	117.60	115.43	110.15	95.77	100.16	112.93	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.60	118.00	115.63	110.70	96.38	100.65	113.31	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Mar. 30, 1942	118.11	106.74	116.22	113.70	107.62	92.06	97.16	110.52	113.70
2 Years ago									
Mar. 29, 1941	117.80	105.86	116.22	112.19	106.21	91.05	96.54	109.79	111.81

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 30	2.07	3.19	2.76	2.88	3.14	3.98	3.71	3.00	2.87
29	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
27	2.07	3.19	2.76	2.88	3.13	3.99	3.71	3.00	2.87
26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
25	2.08	3.20	2.76	2.88	3.14	4.00	3.72	3.00	2.87
24	2.08	3.20	2.76	2.88	3.14	4.01	3.72	2.99	2.87
23	2.08	3.19	2.75	2.87	3.14	4.01	3.72	3.00	2.86
22	2.08	3.20	2.76	2.88	3.14	4.01	3.72	3.00	2.87
20	2.07	3.20	2.76	2.88	3.14	4.01	3.73	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
18	2.07	3.20	2.76	2.87	3.14	4.02	3.73	3.00	2.87
17	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.87
16	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
15	2.07	3.20	2.76	2.88	3.14	4.02	3.74	3.01	2.88
13	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.88
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
11	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.87
10	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.00	2.87
9	2.07	3.21	2.77	2.89	3.15	4.03	3.74	3.01	2.88
8	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.01	2.88
6	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
4	2.06	3.20	2.76	2.89	3.15	4.01	3.73	3.01	2.88
3	2.06	3.21	2.77	2.89	3.16	4.02	3.74	3.01	2.88
2	2.06	3.21	2.77	2.89	3.16	4.03	3.74	3.01	2.88
1	2.06	3.21	2.77	2.88	3.16	4.02	3.74	3.01	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.19	2.75	2.87	3.13	3.98	3.71	2.99	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Mar. 30, 1942	1.96	3.35	2.84	2.97	3.30	4.27	3.93	3.14	2.97
2 Years ago									
Mar. 29, 1941	1.99	3.40	2.84	3.05	3.38	4.34	3.97	3.18	3.07

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Steel Output At Increased Rate—Easier Situation Indicated—Ore Season Delayed

"The steel industry has completed one of its greatest production months, with March ingot output apparently very close to the all-time record of last October, when 7,584,864 net tons were made," states "The Iron Age" in its issue of today (April 1), which further goes on to say, in part: "The farm equipment industry, long neglected on its steel requirements, has been given a shot in the arm with the hope that additional planting machinery will be delivered in time to be of use this year. Approximately 12,500 tons of steel were distributed through an emergency directive, a four-star status which supersedes other important programs. Deliveries of this steel will be made by mills in April. While the tonnage is small, it is believed that it will make possible completion of a fairly large volume of implements which have not been completely assembled due to lack of small parts made from bar stock.

"Railroad car and accessory makers are confident that additional steel will be granted to them this spring and fall. Their case, like the farm equipment industry, is extremely urgent. The carriers' rolling stock has been depreciating rapidly under the terrific punishment it has been taking.

"A feature of the steel market is the award of 145,290 tons of 20-inch pipe for the western leg of the Government oil products line from Beaumont, Texas, to Seymour, Ind., a distance of about 835 miles. Shipments will be made in April, May, June and July, with two steel companies set to start shipping in the next two weeks. The eastern leg of the line hasn't been approved, but it probably will be approved and will require about the same amount of steel.

"Meanwhile, the steel industry's continual problem of getting enough steel for its own expansion needs has taken a turn for the worse. The second quarter allotment of steel for expansion is only 120,000 tons, whereas the WPB steel division has asked the Requirements Committee for twice that amount.

"One critical part of the expansion program is blast-furnace coke ovens. The construction of these units has been delayed by the WPB Facilities Review Committee. Another vital segment of the enlargement program is the completion of new electric furnaces which are needed for the alloy steel they will turn out for aircraft engines. Recognizing the necessity for more electric furnace capacity, some steel companies have resorted to every conceivable method of aggressive action to push their projects along.

"Other aspects of the steel picture over the past week include a revision of the Controlled Materials Plan whereby all CMP authenticated orders booked by steel mills as of March 22 shall not take precedence over PRP or other priority-rated orders before April 15 (generally interpreted as a breathing spell for claimant agencies); and the ending of a moratorium between U. S. Steel Corp. subsidiaries and the United Steelworkers of America on grievances or vocational inequalities.

"Steel warehouse operators learned in New York this week that a new pricing steup will be established in the northeastern United States. Four zones will be established and the plan later may be spread to other sections of the nation.

"Order volume of steel companies at Pittsburgh and Cleveland has dropped sharply, but Chicago reports a moderate gain in the past week. Pittsburgh says that on a daily basis many plants will show March business only slightly above February. This is in marked contrast to the boom during the first two weeks of March. Due to the mechanics of ordering under CMP, the volume of new business for steel mills is apt to be spotty, heavy for a while and then unusually light for a period."

The American Iron and Steel Institute on March 29 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.5% of capacity for the week beginning March 29, compared with 99.1% one week ago, 98.2% one month ago and 98.8% one year ago. This represents an increase of 0.4 point or 0.4% from the preceding week. The operating rate for the week beginning March 29 is equivalent to 1,723,000 tons of steel ingots and castings, compared to 1,716,100 tons one week ago, 1,700,500 tons one month ago and 1,678,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 29 stated in part as follows: "Recent indications from Washington that production limitations may be eased on certain durable consumer goods are in line with observation of some steel industry leaders that steel production this year may be much larger.

"Ingot production during the current quarter is estimated at an annual rate of about 89,000,000 tons, compared with about 86,000,000 tons last year. With additional capacity scheduled for completion this year some believe the output may reach 92,000,000 tons. More conservative observers believe this estimate too high, on the ground that steelmaking equipment has been pushed so hard it will require much repair this year. Most opinion is that at least 4,000,000 tons additional will be available.

"Restrictions on building and some other outlets, including exports, may add a substantial tonnage to this, making considerable steel available for less essential requirements. Recent statements by military officers are to the effect that production is ahead of schedule in certain types of ordnance, guns, shells and tanks. It appears likely that any easing in non-war restrictions will not come until last half and the belief is held it may appear first in releases of frozen items now in control of the Steel Recovery Corp.

"Carbon bar sellers in general are well booked into May on CMP orders, which take precedence over PRP ratings. Percentage of the former is increasing rapidly, hastened by the effort to have old orders certified under the new plan. Mill order departments have difficulty keeping pace with this development. Cold-drawn bar sellers are booked further than hot-rolled producers, with little available before June. Alloy cold-drawn bar deliveries are about 30 days further delayed. Large bars of all descriptions are tight and most tonnage is moving on directives.

"While scrap supply supports steelmaking at the continuing high rate some uneasiness is expressed over the fact that mill reserves are less than what is considered a safe margin and current receipts in some areas are below consumption. Continued use from stocks is reducing the margin of safety. A factor in the situation is continued lack of manpower for yard preparation. Some observers fear a repetition of last summer's shortage. In the Chicago district, according to War Production Board, only three of the 22 steelmaking plants have 30 days supply in stock.

"Blast furnaces in the United States and Canada consumed 7,103.914 gross tons of Lake Superior iron ore in February, compared with 6,403,362 tons in February, 1942. For two months total consumption was 14,869,088 tons, against 13,561,785 tons in the corresponding period last year. Active blast furnaces March 1 numbered 177 in the United States and nine in Canada. A year earlier the figures were 171 and seven. Ore stocks at furnaces and on Lake Erie docks March 1 totaled 32,743.294 tons; a year ago they were 27,525,822 tons.

"Opening of navigation on the Great Lakes is delayed by heavy ice in harbors and rivers. A year ago cargoes were already moving from the head of the lakes. Ice breakers are about to start opening channels but several days must elapse at best before ships can move into Lake Superior."

Moody's Daily Commodity Index

Tuesday, March 23	248.5
Wednesday, March 24	248.6
Thursday, March 25	248.2
Friday, March 26	249.2
Saturday, March 27	248.8
Monday, March 29	248.9
Tuesday, March 30	248.9
Two weeks ago, March 16	247.3
Month ago, Feb. 27	247.1
Year ago, March 30	231.6
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, March 3	249.3
Low, Jan. 2	240.2

Dr. Heyd Warns Of Futility Of Cradle To Grave Security

The futility of the social objective of a security and protection program from the cradle to the grave was noted by Dr. Charles Gordon Heyd of New York City on March 24, who declared that such a program "will eventually be an economic and biological failure." Dr. Heyd, former President of the American Medical Association, advanced his views at a war time commencement of the University of Buffalo, at Buffalo, N. Y., at which 66 physicians were graduated. A U. S. alumnus, Dr. Heyd urged the graduating class to stand guard against steps in the stringency of war time to introduce socialization of medicine. In his warning against socialization programs, Dr. Heyd, according to the Buffalo "Evening News" of March 24, had the following to say:

"A recent social document of world-wide interest (Beveridge Report) states: 'In the presence of revolution we may require revolutionary solutions and not just patching our social structures.' The social objective of a security and protection from the cradle to the grave will eventually be an economic biologic failure. The history of anthropology reveals no single instance of survival when the organism singly or as an individual member of a gregarious unit failed to energize itself by personal effort in order to maintain and reproduce himself.

"If man is to survive as an individual social unit, free from the concentration camp and political slavery, he must return to the ancient philosophy of the Old Testament, 'In the sweat of thy face shalt thou eat bread.' This divine injunction was not given unto man as punishment but as a way of life, a rational program for happiness. Only those who work merit 'a happy life and a happy calling.'

"Socialization of medicine is preached as part of a new Utopia with a vast bureaucracy of mediocrity for its administration. When the political state destroys the freedom of choice for a career, at that precise moment genius and initiative are also destroyed.

"You are looking out on a vast social revolution, global in range and viewpoint but national in application. Medical practice for better or for worse will change under the impact of revolutionary forces. You may be called upon to advise and treat the socio-political ills of your society in no less degree than in maintaining your own personal professional status."

OPA Revises Point Values On Processed Foods

A new table of point values for canned goods and other processed foods was put into effect on March 29 by the Office of Price Administration. The revised list, showing the April point values of processed foods, including canned, dried and frozen fruits and vegetables, fruit and vegetable juices, soups and baby foods, lowers the values of some items and increases "those" of others. Lower ration point values were listed for all fruit and vegetable juices and dehydrated soups, while higher values were ordered for several items, including applesauce, peaches, pineapple and lima beans. In the aggregate, however, the point values remained approximately the same.

The OPA temporarily removed from the ration list dried and dehydrated fruits, such as prunes, raisins and apricots, and apple juice.

The changes made are designed to facilitate movement of the slower selling items.

President Orders WMC To Control Deferments For Federal Workers

President Roosevelt, in an executive order issued March 8, placed jurisdiction for the deferment of essential Federal workers from military service in the War Manpower Commission and provided that each Government agency set up a committee to request deferments for employees whose services are essential to war activities.

At the same time, the order cleared the way for voluntary induction of non-essential Federal workers into the armed forces. For workers not in key positions, the normal processes of induction will operate.

The executive order is designed to carry out the recommendations of a committee, headed by Paul Bellamy, editor of the Cleveland "Plain Dealer," which studied the problem. The other members of this group, which was appointed on Dec. 11 and reported its findings on Feb. 20, were Eric Johnston, President of the Chamber of Commerce of the United States, and Ordway Tead, member of the New York City Board of Higher Education.

The order said that key positions shall be limited to those "involving serious difficulty of replacement because a scarcity of available qualified personnel exists and because any encumbent of the position must have had in order to perform the duties effectively, an extended period of training or specialized experience."

The executive order said the designation of key positions shall be governed by the following criteria, according to the Associated Press:

"The work is of a responsible administrative, executive or supervisory character in activities directly related to the war effort, or to the essential maintenance of orderly Government, including the maintenance of the nation's health, morale and security.

"Or the work is part of the actual production, transportation or handling of war materials, equipment, or commodities, or of the maintenance or operation of war equipment or the transportation of war personnel.

"Or the work is of a professional, semi-professional or highly specialized character, requiring extended training, in an occupation where a known scarcity of manpower exists.

"Or the work usually requires men employes and replacement within necessary age limits is difficult. The order mentioned in this connection, seamen, investigatory agent, forest rangers, border patrolmen, prison guards, and comparable jobs."

The President's Committee on Deferment of Federal Employees reported on Feb. 20 that, in general, the test for draft deferment should be determined on the basis as to whether a person's work is essential to the war effort or necessary for maintaining indispensable civilian government functions.

After a two-months' study, the Committee said that the record of the 3,000,000 men and women, by and large, in the Federal service "has been splendid, as shown both in the numbers already enlisted in the armed services and in the small percentage of draft deferments requested."

However, the report declared that additional thousands of Federal workers could be released to the armed forces if overlapping Government functions were eliminated and deferments limited to those in essential jobs.

The Committee noted that Federal departments have been slow to find substitutes to replace Federal workers of draft age. The report said that 26% of the Federal male employes of draft age have enlisted or been commissioned in the armed services, while less than 2% have been deferred on occupational grounds.

One of the Committee's recommendations was that there be issued a "certificate of honorable deferment for essential war employment" for workers in public and private employment who are occupationally deferred on an employer's application.

This group was set up after the President ordered Federal departments and agencies to cancel deferments of their employees; referred to in our issue of Dec. 31, page 2331.

Gross And Net Earnings Of United States Railroads For The Calendar Year 1942

Railroad operations in the United States for the calendar year 1942, as in 1941, were dominated, like almost everything else by the national defense and war measures, but in the past year these operations reached peak figures. The year 1942, however, was the first complete year of conflict by the United States in the present war, and the carrier earnings reflect the effort and accomplishments that have taken place in the all-out effort for victory.

It is no surprise to find that both the gross and net earnings of the railroads of the United States have reached new high levels and exceed those of any other calendar year in the history of the railroads.

While the efficiency of the railroads has been displayed by the fact that the ratio of expenses to earnings in the calendar year 1942 was 61.63% against 68.51%, the railroads pointed out on December 15 to the Interstate Commerce Commission that one year supplies no basis for assuming a continuance of similar trends; the rate of return on investment was less than 6%, and the prospects are for heavier tax payments and higher operating costs in 1943.

The effects of the war on the railroads were too numerous to mention at this time, so we now turn to the actual statistics. Here we find that gross earnings reached the huge sum of $7,466,223,077, as against $5,342,255,003 for 1941, a gain of $2,123,969,674, or 39.76%. Net earnings increased to $2,864,897,652 from $1,682,270,377 in 1941, an increase of $1,182,627,275, or 70.30%. In the following tabulation we show the totals for 1942 as compared to 1941, both for the full annual periods and for the first six months and the second six months, separately:

	1942	1941	Inc. (+) Dec. (—)	
Mileage of 132 roads	231,012	232,188	—1,176	—00.51%
Gross earnings	$7,466,223,077	$5,342,255,003	+$2,123,969,074	+39.76%
Operating expenses	4,601,325,425	3,659,984,626	+ 941,341,799	+25.72%
Ratio of exps. to earns.	(61.63%)	(68.51%)		
Net earnings	$2,864,897,652	$1,682,270,377	+$1,182,627,275	+70.30%

	First Six Months		Second Six Months	
	1942	1941	1942	1941
Gross earnings	$3,280,758,417	$2,420,002,097	$4,185,464,660	$2,922,252,906
Operating expenses	2,157,143,907	1,674,601,441	2,444,181,518	1,985,383,185
Net earnings	$1,123,614,510	$745,400,656	$1,741,283,142	$936,869,721

Turning now to a month-by-month comparison of railroad gross and net earnings for the calendar years 1942 and 1941, we find that a general tendency toward improvement was in evidence. In the following table we furnish comparisons of the monthly totals for all of 1942 and 1941:

Month	Gross Earnings 1942	1941	Inc. (+) or Dec. (—)		Mileage 1942	1941
	$	$	$	%		
January	480,688,115	376,530,212	+104,157,903	+27.66	231,658	232,442
February	462,482,830	357,564,014	+104,918,816	+29.35	231,593	232,414
March	540,299,056	415,525,798	+124,773,258	+30.03	231,316	232,058
April	572,530,962	374,304,616	+198,226,346	+52.97	231,499	232,234
May	601,064,733	441,529,183	+159,535,550	+36.13	231,368	232,218
June	623,695,610	454,548,079	+169,147,531	+37.21	231,368	232,137
July	665,180,069	485,398,030	+179,782,039	+37.04	231,048	232,270
August	683,805,652	493,696,240	+190,109,412	+38.51	230,948	232,226
September	697,792,911	488,975,758	+208,817,153	+42.71	230,540	232,127
October	745,582,964	517,592,774	+227,990,190	+44.05	230,294	232,060
November	690,108,064	457,016,549	+233,091,515	+51.00	230,176	231,961
December	702,994,939	479,573,554	+223,421,445	+46.59	229,800	231,811

Month	Net Earnings 1942	1941	Inc. (+) or Dec. (—)	
	$	$	$	%
January	131,949,179	108,299,877	+ 23,649,302	+ 21.84
February	134,878,897	102,735,090	+ 32,143,807	+ 31.29
March	180,204,500	132,899,824	+ 47,304,676	+ 35.59
April	205,791,498	100,023,867	+105,767,631	+105.74
May	225,576,889	145,481,304	+ 80,095,585	+ 55.06
June	245,225,980	155,957,835	+ 89,268,145	+ 57.24
July	274,705,768	175,671,979	+ 99,033,789	+ 56.37
August	284,516,331	179,888,764	+104,627,567	+ 58.16
September	298,087,633	176,739,349	+121,348,284	+ 68.66
October	329,157,843	156,128,608	+173,029,235	+110.83
November	283,691,654	121,459,164	+162,232,490	+133.57
December	271,123,910	126,981,858	+144,142,052	+113.51

The following figures which are assembled in our usual simplified form are indicative of the measure of trade activity in the more essential industries of the country which constitute the basis for railroad revenues. These statistics, together with those pertaining to grain, livestock receipts and revenue freight carloadings, are tabulated for the calendar year 1942 in comparison with the years 1941, 1940, 1932 and 1929:

12 Mos. End. Dec. 31—	1942	1941	1940	1932	1929
Building ($100):					
†Constr. contracts awarded	$8,255,061	$6,007,474	$4,003,957	$1,351,159	$5,750,291
Coal (000 net tons):					
‡Bituminous	580,000	514,149	453,245	309,709	532,591
§Pennsylvania anthracite	59,961	56,368	51,485	49,855	73,828
Freight Traffic:					
¶Car loadings, all (cars)	42,818,739	42,289,764	36,357,854	28,179,952	52,827,935
††Livestock receipts:					
Chicago (cars)	79,964	75,275	80,766	149,714	221,328
Kansas City (cars)	*	33,936	35,640	61,309	97,673
Omaha (cars)	31,409	25,123	25,947	51,140	81,253
‡‡Western flour and grain receipts:					
Flour (000 barrels)	22,497	21,206	21,314	19,451	34,689
Wheat (000 bushels)	370,177	411,624	351,602	277,391	453,536
Corn (000 bushels)	318,205	250,666	232,531	150,616	272,497
Oats (000 bushels)	101,487	82,155	64,005	82,115	140,617
Barley (000 bushels)	120,548	116,634	87,257	34,013	62,492
Rye (000 bushels)	25,409	33,886	17,748	8,155	25,398
Iron & Steel (net tons):					
§§Steel ingot production	86,092,209	82,836,946	66,981,662	14,921,573	60.829.752
Lumber (000 feet):	1942	1941	1940	1932	1929
¶¶Production	*	12,978,278	11,789,457	5,772,613	20,267,035
¶¶Shipments	*	13,636,058	12,633,321	7,169,421	19,731,520
¶¶Orders received	*	13,700,718	12,849,132	6,988,691	19,533,564

*Not available.

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains.) ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years).

It is apparent from a brief perusal of the figures tabulated above that carloadings in 1942 did not rise in the same proportion above previous years as did gross earnings. Loading of revenue freight on the railroads of the United States aggregated 42,818,739 cars. Although carloadings increased 528,975 cars, or 1.3% over the preceding year, this slight gain, being due largely to a sharp drop in L. C. L. movements, fails to measure accurately the 33% increase in tonnage hauled on account of the heavier loading of cars and longer haul per ton.

In reference to construction, contracts awarded in the 37 Eastern States broke all previous records, amounting to $8,255,061,000. This was 37% greater than the total for the proceding year, and nearly 25% greater than the figure for the previous high record year 1928. Bituminous coal production, stimulated by wartime requirements, reached an all-time high of 580,000,000 tons in 1942, as compared with 514,149,245 tons in 1941. Anthracite coal output is estimated at 59,961,000 tons for 1942, the largest since 1930, and more than 3,000,000 tons greater than the 56,368,000-ton total for 1941. Production of steel ingots and castings by the steel industry of the United States for 1942 established a new record of 86,092,209 tons, exceeding by 3,255,000 tons the previous record production of 82,836,946 tons in 1941, and is 70% above production in the record year of World War I. At the Western terminals grain receipts recorded increases over the preceding year.

Sorting out the railroads with major changes in comparison with 1941 from those that showed only minor fluctuations, we find 88 roads reported increases in gross and 75 recorded increases in net, while two roads indicated decreases in gross and three in net. The Pennsylvania led the gross and net columns with gains of $224,433,460 and $112,970,008, respectively. Second place in both categories was occupied by the Southern Pacific with increases of $179,403,405 in gross and $106,623,271 in net. The New York Central was third in the gross listing with $145,876,541 over the calendar year 1941. The Atchison Topeka & Santa Fe, which was fourth in the gross, was third in net, showing a gain of $94,688,823 in the latter category. Other roads showing substantial increases included the Union Pacific, Baltimore & Ohio, Missouri Pacific, and Southern Ry. The New York Connecting and the Virginian were the only roads which showed major declines in the gross column, while the Bessemer & Lake Erie headed those roads showing decreases in the net catgory.

The subjoined table indicates clearly all major fluctuations in excess of $1,000,000, whether they be increases or decreases, in both gross and net earnings categories for the separate roads and systems.

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE 12 MONTHS ENDED DEC. 31, 1942, COMPARED WITH THE YEAR PRECEDING

	Increase		Increase
Pennsylvania	$224,433,460	Cincinnati N. O. & Tex. Pac.	$8,076,081
Southern Pacific (2 roads)	179,403,405	Western Maryland	7,829,540
New York Central	*145,876,541	Long Island	8,127,327
Atchison Topeka & Santa Fe	136,105,282	International Great Northern	7,685,489
Union Pacific	134,972,549	Duluth Missabe & Iron Range	7,348,406
Baltimore & Ohio	78,751,172	Central of Georgia	7,166,345
Missouri Pacific	66,523,763	Colorado & Southern (2 roads)	7,025,837
Southern	64,679,147	Minneapolis St. P. & S. S. M.	6,638,389
Illinois Central	55,096,485	Spokane Portland & Seattle	6,251,569
Louisville & Nashville	49,254,978	New Orleans & Northeastern	6,237,525
New York New Haven & Hart.	48,598,837	Chicago & East Illinois	5,291,947
Chicago Burlington & Quincy	47,767,970	Pere Marquette	5,263,304
Atlantic Coast Line	47,704,568	Louisiana & Arkansas	5,142,827
Seaboard Air Line	45,633,472	Elgin Joliet & Eastern	4,328,642
Chicago Milw. St. P. & Pac.	40,221,158	Pittsburgh & Lake Erie	4,100,588
Great Northern	40,161,148	Chicago Great Western	3,958,721
Chicago Rock Island & Pacific	40,104,639	Chicago St. P. Minn. & Omaha	3,595,602
Northern Pacific	33,964,229	Georgia	3,507,039
Chesapeake & Ohio	31,572,427	Wheeling & Lake Erie	3,020,061
Chicago & North Western	28,528,558	Minneapolis & St. Louis	2,716,755
New York Chicago & St. Louis	28,523,124	Maine Central	2,679,507
St. Louis-San Fran. (2 roads)	27,848,656	Norfolk Southern	2,238,933
Erie	26,508,151	Western Ry. of Alabama	1,907,744
Missouri-Kansas-Texas	23,704,449	Illinois Terminal	1,846,366
Reading	23,117,622	Pennsylvania Reading S. S. L.	1,760,298
Denver & Rio Grande Western	22,902,872	Northwestern Pacific	1,663,528
Lehigh Valley	21,420,585	Georgia Southern & Florida	1,608,316
Wabash	21,364,944	Atlanta & West Point	1,509,627
St. Louis Southwestern	20,458,150	Can. Pacific Lines in Maine	1,389,941
Norfolk & Western	19,423,250	Atlanta Birmingham & Coast	1,372,591
Texas & Pacific	18,924,563	New York Ontario & Western	1,254,879
Boston & Maine	18,443,259	Clinchfield	1,248,042
Yazoo & Mississippi Valley	15,491,611	Pittsburgh & West Virginia	1,177,084
Kansas City Southern	15,153,313	Lehigh & Hudson River	1,128,841
Western Pacific	14,448,158	Bangor & Aroostook	1,104,167
Central of New Jersey	14,089,165	Bessemer & Lake Erie	1,093,638
Richmond Fred. & Potomac	14,077,837	Tennessee Central	1,049,496
New Orleans Texas & Mexico (3 roads)	11,592,196	Monongahela	1,015,645
Delaware & Hudson	11,471,720	Total (88 roads)	$2,110,348,612
Alton	11,466,226		
Delaware Lackawanna & West.	11,433,624		Decrease
Nashville Chatt. & St. Louis	11,260,101	New York Connecting	$1,334,617
Gulf Mobile & Ohio	9,525,305	Virginian	1,314,182
Florida East Coast	9,338,965		
Alabama Great Southern	8,646,341	Total (2 roads)	$2,648,799

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $149,977,129.

(Continued on page 1218)

February Living Costs Up In Industrial Cities

The cost of living for wage-earners and lower-salaried clerical workers in February rose in 61 out of the 70 cities surveyed each month by the National Industrial Conference Board. The largest advance, 1.4%, was shown in Saginaw, but there was a rise of 1.3% in Detroit and an increase of 1.1% in Milwaukee. Two cities showed no change, and seven reported declines. For the United States as a whole, the cost of living rose 0.4%. The Board, in its advices March 17, further said:

"Living costs were higher this February than in February, 1942, in all cities for which comparable figures are available. San Francisco recorded the largest increase during the 12-month period with an advance of 11.2%. The smallest was shown in New Orleans, where it rose only 4.1%. The cost of living for the United States as a whole stands 7% higher than a year ago and 18.4% above January, 1941."

Allies Raw Materials In 'Orderly Flow'

The first year's operations of the Combined Raw Materials Board has resulted in stabilization and orderly flow of the raw material resources of the United Nations, according to the report of William L. Batt, American representative on the Board.

Mr. Batt, who is also Vice Chairman of the War Production Board, said that "as the result of the Board's activities, world traffic in raw materials among the United Nations now flows in orderly fashion."

The Board, created Jan. 27, 1942, by President Roosevelt and British Prime Minister Churchill to obtain "a planned and expeditious utilization of the raw material resources of the United Nations" in the prosecution of the war, reported that "very real progress" had been made in this respect.

In summarizing the report, Mr. Batt said:

"The first twelve months of operations resulted in stabilization of the raw materials problems.

"As the result of the Board's activities, world traffic in raw materials among the United Nations now flows in orderly fashion. The Board provides a meeting ground where all can go and get a decision—a decision that will be accepted and implemented.

"The Board has served to harmonize the various points of view of diverse agencies.

"The Board, after careful studies, has made recommendations covering about thirty strategic materials, including nickel, copper, tin, lead, zinc, rubber, manganese, tungsten, cobalt, chromite and others vital to the prosecution of the war."

The report it is learned from Washington advices Feb 28 to the New York "Times" also said that the Board exercised its function during the past year in three principal ways:

"1. Agreement has been secured through the Board between the governments concerned to common action in regulating supply, distribution and use of the major strategic materials, with the object of insuring that each country is put in a position to make its maximum contribution to the war effort on the production side.

"2. By bringing the authorities of the two countries together in cooperative arrangements for purchasing and supply, a scramble has been prevented for those 'secondary' materials which are, in their place, essential to the production programs and which are subject to stringent supply or expanded requirements not arising in peacetime.

"3. In general, the Board and its machinery have formed a center for discussion of day to day problems affecting either country, and for the authoritative compilation of information and evidence on which alone an effective solution for these problems can be based."

Creation of the Board was noted in these columns Feb. 5, 1942, page 573.

Columbia Comptroller

Henry McAlpin Schley has been appointed Comptroller of Columbia University, a new office created by the Columbia Trustees, it is announced by Dr. Nicholas Murray Butler, President of the University. Mr. Schley's responsibilities, it is announced, involve the oversight, direction and coordination of nonacademic activities which relate to the management of physical facilities and services. Mr. Schley joined the Columbia administrative staff in 1942 as assistant to the President. Previously he had been Construction Manager of Rockefeller Center.

Gross And Net Earnings Of United States Railroads For The Calendar Year 1942

(Continued from page 1217)

PRINCIPAL CHANGES IN NET EARNINGS FOR THE 12 MONTHS ENDED DEC. 31, 1942, COMPARED WITH THE YEAR PRECEDING

	Increase		Increase
Pennsylvania	$112,970,008	Delaware Lackawanna & West.	$6,300,761
Southern Pacific (2 roads)	106,623,271	Kansas City Southern	5,965,885
Atchison Topeka & Santa Fe	94,688,823	Nashville Chatt. & St. Louis	5,725,470
Union Pacific	75,931,313	Alabama Great Southern	5,543,458
New York Central	*74,645,054	Gulf Mobile & Ohio	4,976,846
Missouri Pacific	42,014,961	Cincinnati N. O. & Tex. Pac.	4,863,413
Southern	39,479,723	International Great Northern	4,842,405
Baltimore & Ohio	25,428,391	Spokane Portland & Seattle	4,586,678
Atlantic Coast Line	31,616,386	Colorado & Southern (2 roads)	4,580,236
Chicago Burlington & Quincy	31,400,199	Delaware & Hudson	4,313,488
New York New Haven & Hart.	30,750,252	Central of Georgia	4,223,774
Louisville & Nashville	28,303,135	New Orleans & Northeastern	3,995,997
Seaboard Air Line	27,423,836	Duluth Missabe & Iron Range	3,951,086
Great Northern	25,166,038	Western Maryland	3,457,093
Chicago Rock Island & Pacific	24,620,452	Chicago & East Illinois	3,140,426
Illinois Central	23,168,828	Minneapolis St. P. & S. S. M.	3,046,767
Chicago Milw St Paul & Pac	22,023,430	Georgia	2,437,482
New York Chicago & St. Louis	17,013,912	Pittsburgh & Lake Erie	2,212,153
Northern Pacific	16,644,846	Wheeling & Lake Erie	1,963,675
Chesapeake & Ohio	16,396,670	Chicago Great Western	1,739,184
St. Louis-San Fran (2 roads)	16,119,542	Minneapolis & St. Louis	1,692,516
Denver & Rio Grande Western	15,861,298	Long Island	1,615,134
Chicago & North Western	15,053,226	Chicago St. P. Minn. & Omaha	1,562,098
St. Louis Southwestern	14,670,041	Western Ry. of Alabama	1,336,925
Erie	14,014,791	Northwestern Pacific	1,298,932
Wabash	13,664,867	Illinois Terminal	1,255,859
Reading	12,048,257	Norfolk & Southern	1,212,120
Texas & Pacific	10,955,003	Maine Central	1,194,603
Richmond Fred. & Potomac	10,715,142	Georgia Southern & Florida	1,086,438
Lehigh Valley	9,882,208	Pere Marquette	1,081,334
Yazoo & Mississippi Valley	9,666,966	Atlanta & West Point	1,009,021
Missouri Kansas Texas	9,500,949		
Boston & Maine	9,390,692	Total (75 roads)	$1,167,612,314
Western Pacific	8,778,226		
			Decrease
New Orleans Texas & Mexico (3 roads)	7,695,206	Bessemer & Lake Erie	$2,488,012
Central of New Jersey	7,151,344	Virginian	2,175,292
Norfolk & Western	6,889,213	New York Connecting	1,561,005
Alton	6,523,787		
Florida East Coast	6,510,771	Total (3 roads)	$6,224,309

*These figures cover the operations of New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $76,857,207.

When, as is our custom, the roads are arranged in groups or geographical divisions, according to their location, it is no surprise to find, in view of the foregoing, that all the three great districts—the Eastern, the Southern and the Western—as well as all the various regions comprising these districts, without a single exception, reveal gains in both gross and net earnings alike.

Considering the showings of the different districts, we find that the Western District headed both gross and net listings with gains of 48.65% and 94.42%, respectively. The Southern and Eastern Districts were second and third with increases in gross of 41.41% and 31.41% and improvements of 63.44% and 52.58% in net, respectively.

Analyzing the figures compiled for the small subdivisions, the regions, we notice that the Southwestern region recorded the greatest percentage gain in gross with a percentage increase of 60.88, while the Central Western ran a close second, with an increase of 55.94%. In the net classification, however, these positions were reversed with the Central Western indicating the greatest gain, one of 118.27%, while the Southwestern took second place with an improvement of 112.96%.

Without further comment, we now refer to our summary tabulation which follows immediately. Our grouping conforms with the classification set down by the Interstate Commerce Commission. The territories covered by the various subdivisions, districts and regions are explained in the footnote attached to the following table:

SUMMARY BY GROUPS—JANUARY 1 TO DECEMBER 31

District & Region	Gross Earnings 1942 $	Gross Earnings 1941 $	Inc. (+) or Dec. (—) $	Inc. (+) or Dec. (—) %
Eastern District—				
New England region (10 roads)	281,952,269	210,229,076	+ 71,723,193	+34.12
Great Lakes region (23 roads)	1,253,047,992	969,408,663	+283,639,329	+29.26
Central Eastern region (18 roads)	1,527,742,878	1,151,052,844	+376,690,034	+32.73
Total (51 roads)	3,062,743,139	2,330,690,583	+732,052,556	+31.41
Southern District—				
Southern region (26 roads)	1,052,924,539	698,242,859	+354,681,680	+50.80
Pocahontas region (4 roads)	376,050,812	312,291,480	+ 63,759,332	+20.42
Total (30 roads)	1,428,975,351	1,010,534,339	+418,441,012	+41.41
Western District—				
Northwestern region (15 roads)	785,490,091	609,878,398	+175,611,693	+28.79
Central Western region (16 roads)	1,548,646,319	993,114,433	+555,532,386	+55.94
Southwestern region (20 roads)	640,367,677	398,037,250	+242,330,427	+60.88
Total (51 roads)	2,974,504,587	2,001,030,081	+973,474,506	+48.65
Total all districts (132 roads)	7,466,223,077	5,342,255,003	+2,123,968,074	+39.76

District & Region	Mileage 1942	Mileage 1941	Net Earnings 1942 $	Net Earnings 1941 $	Inc. (+) or Dec. (—) $	Inc. (+) or Dec. (—) %
Eastern District—						
New England region	6,638	6,692	105,756,707	64,898,189	+ 40,858,518	+62.96
Great Lakes region	26,039	26,056	432,286,071	287,030,160	+ 145,255,911	+50.61
Cent. Eastern region	24,206	24,446	520,446,919	341,804,056	+ 178,642,863	+52.26
Total	56,883	57,194	1,058,489,697	693,732,405	+ 364,757,292	+52.58
Southern District—						
Southern region	37,690	38,036	429,960,167	225,274,776	+ 204,685,391	+90.86
Pocahontas region	6,057	6,082	179,384,034	147,558,301	+ 31,825,733	+15.68
Total	43,747	44,118	609,344,201	372,833,077	+ 236,511,124	+63.44
Western District—						
Northwestern region	45,575	45,546	296,330,707	199,949,814	+ 96,380,893	+82.03
Central West. region	55,861	56,272	630,756,014	288,983,114	+ 341,772,900	+118.27
Southwestern region	28,946	29,058	269,977,033	126,771,967	+ 143,205,066	+112.96
Total	130,382	130,876	1,197,063,754	615,704,895	+ 581,358,859	+94.42
Total all districts	231,012	232,188	2,864,897,652	1,682,270,377	+1,182,627,275	+70.30

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

Grain arrivals at the Western lake and river ports in the year under review was somewhat heavier than in the preceding year.

With respect to the individual grains, flour arrivals recorded an increase of 1,291,000 barrels over the 1941 aggregate of 21,206,000 barrels. Corn receipts increased 67,539,000 bushels to 318,205,000 bushels, and this advance combined with a gain of 19,332,000 bushels in oats receipts more than offset minor downward trends in wheat and rye arrivals.

In our usual form, we now present a detailed statement of the grain traffic over the Western roads for the 12 months ended Dec. 26, 1942, as compared with the corresponding period ended Dec. 27, 1941.

WESTERN FLOUR AND GRAIN RECEIPTS

12 Months Ended Dec. 26

(000 omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	11,528	20,778	100,904	19,337	4,040	15,948
	1941	10,118	21,874	96,598	20,555	5,423	13,896
Minneapolis	1942	32	130,699	18,830	44,828	13,318	55,965
	1941	86	142,900	16,214	31,958	18,858	53,824
Duluth	1942	----	56,792	12,754	2,514	2,434	6,615
	1941	21	67,597	21,692	2,615	5,297	12,006
Milwaukee	1942	791	1,630	9,881	586	1,623	32,056
	1941	944	4,135	10,848	802	2,020	28,587
Toledo	1942	345	13,557	7,174	5,372	1,331	341
	1941	----	14,315	3,525	5,686	36	96
Indianapolis & Omaha	1942	----	23,933	50,595	12,462	397	76
	1941	25	27,055	37,854	8,493	473	117
St. Louis	1942	6,673	21,268	27,546	3,972	1,101	2,593
	1941	6,712	16,477	13,830	3,206	421	2,230
Peoria	1942	2,236	4,774	44,472	2,324	651	3,846
	1941	2,037	4,026	34,251	2,542	1,003	3,818
Kansas City	1942	892	66,407	32,854	5,076	6	----
	1941	1,263	82,298	9,346	2,768	----	----
St. Joseph	1942	----	6,818	5,528	3,021	4	6
	1941	----	4,854	2,493	2,533	----	----
Wichita	1942	----	19,683	24	2	----	----
	1941	----	23,044	----	----	2	7
Sioux City	1942	----	3,681	7,518	1,993	489	3,095
	1941	----	3,049	4,015	997	353	2,053
Detroit	1942	----	157	125	----	15	7
	1941	----	----	----	----	----	----
Total all	1942	22,497	370,177	318,205	101,487	25,409	120,548
	1941	21,206	411,624	250,666	82,155	33,886	116,634

A total of 42,818,739 freight cars were loaded in 1942 as compared with 42,289,764 in 1941, or an increase of 1.3%.

The influence of war activities on the character of railway freight traffic is clearly reflected in the statistics below. The largest carload increase took place in manufactured (miscellaneous) articles. Significant relative increases occured in the movement of four groups closely related to and serving the heavy industries—ore, forest products, coal and coke. Due to conditions in other segments of the transportation field, grain and livestock also showed appreciable increases. In the table below we show the loadings in number of freight cars of the individual items which make up the grand totals:

LOADING OF REVENUE FREIGHT ON THE RAILROADS OF THE UNITED STATES FOR 52 WEEKS

(Number of Cars)

	1942	1941	1940	1939	1938
Grain and grain products	2,180,348	2,022,609	1,834,593	1,940,064	1,967,318
Livestock	744,400	650,479	685,282	694,246	702,920
Coal	8,361,393	7,590,833	6,819,614	6,082,520	5,540,739
Coke	731,299	677,449	548,686	413,686	274,639
Forest products	2,450,204	2,186,999	1,799,650	1,584,336	1,417,869
Ore	3,011,784	2,682,325	2,148,428	1,615,036	845,965
Merchandise, L. C. L.	5,584,736	8,041,503	7,679,389	7,830,935	7,681,847
Miscellaneous	19,754,575	18,437,567	14,842,212	13,750,675	12,025,781
Total	42,818,739	42,289,764	36,357,854	33,911,498	30,457,078

In the table which follows we furnish a summary of the yearly comparisons as to both gross and net earnings for each year back to and including 1907:

Calendar Year	Gross Earnings Year Given	Gross Earnings Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Mileage Year Preced'g
1907	$2,287,501,605	$2,090,595,451	+$196,906,154	+ 9.42	173,028	171,316
1908	2,235,164,873	2,536,914,597	— 301,749,724	—11.89	199,726	197,237
1909	2,605,003,302	2,322,549,343	+ 282,453,959	+12.16	228,508	225,027
1910	2,836,795,091	2,597,783,833	+ 239,011,258	+ 9.20	237,554	233,829
1911	2,805,084,723	2,835,109,539	— 30,024,816	— 1.06	241,423	238,275
1912	3,012,390,205	2,790,810,236	+ 221,579,969	+ 7.94	239,691	236,000
1913	3,162,451,434	3,019,929,637	+ 142,521,797	+ 4.72	242,931	239,625
1914	2,972,614,302	3,180,792,337	— 208,178,035	— 6.54	246,356	243,636
1915	3,166,214,616	3,013,674,851	+ 152,539,765	+ 5.06	249,081	247,936
1916	3,702,940,241	3,155,292,405	+ 547,647,836	+17.36	249,098	247,868
1917	4,138,433,260	3,707,754,140	+ 430,679,120	+11.62	250,193	249,879
1918	4,900,759,309	4,036,866,565	+ 863,892,744	+21.40	233,014	232,633
1919	5,173,647,054	4,915,516,917	+ 258,130,137	+ 5.25	233,985	234,264
1920	6,204,785,141	5,178,639,216	+1,026,235,925	+19.82	235,765	234,579
1921	5,552,022,979	6,216,050,959	— 664,027,980	—10.68	235,690	234,777
1922	5,522,522,416	5,478,828,452	+ 43,693,964	+ 0.80	235,654	235,338
1923	6,342,058,872	5,608,371,650	+ 733,687,222	+13.08	235,461	235,705
1924	5,961,186,643	6,332,874,535	— 371,687,892	— 5.87	234,795	234,622
1925	6,177,280,802	5,977,687,410	+ 199,593,392	+ 3.34	236,330	236,139
1926	6,435,539,259	6,169,453,120	+ 266,086,139	+ 4.31	236,891	235,809
1927	6,195,259,346	6,448,564,574	— 253,305,228	— 3.93	238,527	237,799
1928	6,168,119,487	6,198,384,829	— 30,265,342	— 0.49	240,626	239,536
1929	6,339,246,882	6,176,941,101	+ 162,305,781	+ 2.63	241,625	239,482
1930	5,335,131,510	6,349,330,347	—1,014,198,837	—15.97	242,517	242,169
1931	4,230,360,663	5,335,664,398	—1,105,303,735	—20.72	242,764	242,582
1932	3,157,463,014	4,229,261,833	—1,071,798,819	—25.34	242,043	242,056
1933	3,128,862,541	3,156,755,105	— 27,892,564	— 0.88	241,111	225,053
1934	3,267,044,444	3,091,492,502	+ 175,551,942	+ 5.68	239,075	240,840
1935	3,445,521,612	3,267,164,788	+ 178,356,824	+ 5.46	237,659	238,960
1936	4,046,637,111	3,445,337,606	+ 601,299,505	+17.45	236,759	237,918
1937	4,158,453,384	4,044,634,921	+ 113,818,463	+ 2.81	235,413	235,991
1938	3,558,925,166	4,158,453,284	— 599,528,218	—14.42	234,482	235,470
1939	3,987,692,675	3,558,263,834	+ 429,428,841	+12.07	233,468	234,436
1940	4,287,446,017	3,987,625,975	+ 299,820,042	+ 7.52	232,781	233,464
1941	5,342,255,003	4,288,847,139	+1,053,407,864	+24.56	232,192	232,824
1942	7,466,223,077	5,342,255,003	+2,123,969,074	+39.76	231,012	232,188

Calendar Year	Net Earnings			
	Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1907	$660,753,545	$665,280,191	— $4,526,646	— 0.68
1908	694,959,048	748,370,244	— 53,371,196	— 7.13
1909	901,726,065	750,685,733	+ 151,040,332	+ 20.12
1910	909,470,059	900,473,211	+ 8,996,848	+ 1.00
1911	883,626,478	907,914,866	— 24,288,388	— 2.69
1912	937,968,711	877,617,878	+ 60,350,833	+ 6.88
1913	907,022,312	940,509,412	— 33,487,100	— 3.56
1914	828,522,941	904,448,054	— 75,925,113	— 8.39
1915	1,040,304,301	828,650,401	+ 211,653,900	+ 25.54
1916	1,272,639,742	1,036,016,315	+ 236,623,427	+ 22.84
1917	1,215,110,554	1,275,190,303	— 60,079,749	— 4.71
1918	905,794,715	1,190,566,335	—284,771,620	—23.92
1919	764,578,730	908,058,338	—143,479,608	—15.80
1920	461,922,776	765,876,029	—303,953,253	—39.69
1921	958,653,357	402,150,071	+ 556,503,286	+ 138.38
1922	1,141,598,071	951,497,925	+ 190,100,146	+ 19.98
1923	1,410,968,636	1,161,243,340	+ 249,725,296	+ 21.50
1924	1,424,240,614	1,409,433,583	+ 14,807,031	+ 1.05
1925	1,604,400,124	1,428,508,949	+ 175,891,175	+ 12.31
1926	1,731,509,130	1,602,513,558	+ 128,995,572	+ 8.05
1927	1,579,621,895	1,735,075,393	—155,453,498	— 8.96
1928	1,706,067,669	1,600,897,886	+ 105,169,783	+ 6.57
1929	1,798,200,253	1,706,917,540	+ 91,282,713	+ 5.35
1930	1,367,577,221	1,799,945,914	—432,368,693	—24.02
1931	971,654,527	1,367,459,116	—395,804,589	—28.94
1932	733,368,461	977,800,101	—244,431,640	—25.00
1933	859,639,828	733,168,657	+ 126,471,171	+ 17.25
1934	830,442,174	846,562,604	— 16,120,430	— 1.90
1935	859,473,948	833,545,337	+ 25,928,611	+ 3.11
1936	1,121,241,272	858,417,431	+ 262,823,841	+ 30.62
1937	1,047,043,870	1,121,154,894	— 74,111,024	— 6.61
1938	843,060,935	1,047,043,262	—203,982,327	—19.48
1939	1,076,494,031	843,133,884	+ 233,360,147	+ 27.68
1940	1,206,734,953	1,076,433,617	+ 130,301,336	+ 12.10
1941	1,682,327,593	1,207,437,133	+ 474,890,460	+ 39.33
1942	2,864,897,652	1,682,270,377	+ 1,182,627,275	+ 70.30

We now add our detailed statement for the last two calendar years, classified by districts and regions, showing the gross and net figures and giving the increases and decreases in net figures for each road separately:

EARNINGS OF UNITED STATES RAILROADS FROM JAN. 1 TO DEC. 31

Eastern District

	Gross		Net		
New England Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Bangor & Aroost.	6,769,786	5,665,619	2,301,317	1,812,861	+ 488,456
Boston & Maine	77,646,670	59,203,411	28,296,631	18,905,939	+ 9,390,692
Can Nat System—					
Can Nat Lines in N E	2,028,629	2,100,022	*378,487	257,768	—636,255
Cent. Vermont	8,235,979	7,853,050	2,407,186	2,307,433	+ 99,753
Dul Winn & Pac—See Northwestern region					
Grand Trunk Western—See Great Lakes region					
Can Pac System—					
Can Pac Lines in Maine	5,133,375	2,743,434	2,110,547	1,161,825	+ 948,722
Can Pac Lines in Vermont	1,415,503	1,400,699	*268,590	*116,670	—151,920
Dul So Sh & Atl—See Northwestern region					
Minn St P & S S M—See Northwestern region					
Spokane International—See Northwestern region					
Maine Central	17,405,965	14,726,458	5,639,560	4,444,957	+ 1,194,603
New Haven System—					
N Y N H & H	156,140,193	107,541,356	63,423,851	32,673,599	+ 30,750,252
N Y Ont & West—See Great Lakes region					
N Y Connecting	2,888,322	4,222,939	1,421,162	2,982,167	—1,561,005
Rutland	4,287,847	3,772,088	803,530	468,310	+ 335,220
Total (10 rds.)	281,952,269	210,229,076	105,756,707	64,898,189	+ 40,858,518

	Gross		Net		
Great Lakes Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Cambria & Ind.	2,092,443	1,886,372	911,280	750,945	+ 160,335
Can Nat System—					
Can Nat Lines in N E—See New England region					
Central Vermont—See New England region					
Dul Winn & Pac—See Northwestern region					
Grand Trk W.	30,738,446	30,391,495	8,652,724	9,258,695	—605,971
Del & Hudson	45,642,213	34,170,493	15,716,185	11,402,697	+ 4,313,488
Del Lack & West	72,544,985	61,111,361	24,080,351	17,779,590	+ 6,300,761
Detroit & Mack	1,189,479	845,559	461,164	202,266	+ 258,898
Det & Tol Sh Line	4,164,644	4,385,087	2,208,074	2,447,910	—239,836
Erie System—					
Erie	133,353,572	106,845,421	48,711,103	34,696,312	+ 14,014,791
N Y Susq & W	4,430,670	3,692,675	1,889,318	1,464,790	+ 424,528
Lehigh & Hud R	3,386,413	2,257,572	1,552,291	914,062	+ 638,229
Lehigh & N. Eng.	6,163,392	5,282,487	2,373,444	2,117,787	+ 255,657
Lehigh Valley	78,171,307	56,750,722	27,969,535	18,087,327	+ 9,882,208
Monongahela	6,937,074	5,921,429	4,068,581	3,679,575	+ 389,006
Montour	2,715,903	2,402,647	1,109,265	987,927	+ 121,338
New Haven System—					
N Y N H & Hartford—See New England region					
N Y Ont & W	7,441,395	6,186,516	1,029,293	658,811	+ 370,482
N Y Central Lines—					
N Y Central	593,666,196	447,789,655	190,996,598	116,351,544	+ 74,645,054
Pitts & L Erie	34,144,619	30,044,031	10,396,580	8,184,427	+ 2,212,153
N Y Chi & St L	88,742,413	60,219,289	42,271,902	25,257,990	+ 17,013,912
Pere Marquette	44,311,307	39,048,003	11,766,822	10,685,488	+ 1,081,334
Pitts & Shawmut	1,242,044	1,070,865	399,204	344,878	+ 54,326
Pitts Shawm & N	1,466,642	1,527,608	274,523	475,371	—200,848
Pitts & W Va	6,460,198	5,283,114	2,284,010	1,860,498	+ 423,512
Wabash System—					
Ann Arbor	5,144,153	4,762,722	1,302,722	1,225,035	+ 77,687
Wabash	78,898,484	57,533,540	31,861,102	18,196,235	+ 13,664,867
Total (23 rds.)	1,253,047,992	969,408,662	432,286,071	287,030,160	+ 145,255,911

	Gross		Net		
Central Eastern Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Akron Canton & Y	3,473,417	3,117,206	1,167,710	1,173,232	—5,522
Balt & Ohio System—					
Alton—See Central Western region					
Balt & Ohio	306,254,194	227,503,022	102,012,995	66,584,604	+ 35,428,391
Staten Isl R Tr	2,684,833	1,790,332	884,452	226,357	+ 658,095
Besse & L Erie	21,473,388	20,379,750	7,434,116	9,922,128	—2,488,012
Chi & E Illinois	23,964,174	18,672,227	8,099,674	4,959,248	+ 3,140,426
Chi & Ill Midld	6,106,949	5,404,100	2,545,657	2,202,241	+ 343,416
Chi Ind & Louisv	11,657,722	10,864,059	3,921,942	3,771,050	+ 150,892
Det Tol & Iron	8,368,864	8,771,438	3,624,902	4,513,324	—888,422
Elgin Joliet & E	33,716,298	29,387,656	11,931,754	11,577,631	+ 354,123
Illinois Terminal	8,876,302	7,029,936	3,985,804	2,729,945	+ 1,255,859
Missouri Pac System—See Southwestern region					
Missouri Ill	3,323,349	2,667,203	1,751,367	1,252,758	+ 498,609
Pennsylvania System—					
Long Island	34,966,725	26,839,398	8,669,960	7,054,826	+ 1,615,134
Pennsylvania	838,474,623	614,041,163	284,333,896	171,363,888	+ 112,970,008
Reading System—					
Penn Read S S L	9,390,227	7,629,929	2,103,086	1,114,399	+ 988,687
Central of N J	57,446,744	43,357,579	18,136,202	10,984,858	+ 7,151,344
Reading	102,683,717	79,566,095	38,692,845	26,644,588	+ 12,048,257
West Maryland	30,639,650	22,810,110	11,483,040	8,025,137	+ 3,457,903
Wheel & L Erie	24,241,702	21,221,641	9,667,517	7,703,842	+ 1,963,675
Total (18 rds.)	1,527,742,878	1,151,052,844	520,446,919	341,804,056	+ 178,642,863
Total East. District (51 rds.)	3,062,743,139	2,330,690,580	1,058,489,697	693,732,405	+ 364,757,292

Southern District

	Gross		Net		
Southern Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Atl Coast Line System—					
Atl Birm & C	6,035,089	4,662,498	1,297,319	1,006,292	+ 291,027
Atlanta & W Pt	4,000,671	2,491,044	1,679,715	670,694	+ 1,009,021
Atl Coast Line	115,108,820	67,404,252	52,161,189	20,544,803	+ 31,616,386
Char & W Car	3,922,834	3,414,204	1,596,161	1,347,552	+ 248,609
Clinchfield	12,384,278	11,136,236	7,200,642	6,507,822	+ 692,820
Georgia	9,122,568	5,615,529	4,096,596	1,659,114	+ 2,437,482
Louisv & Nash	168,824,550	119,569,572	69,795,892	41,492,757	+ 28,303,135
Nash Ch & St L	30,928,868	19,668,767	11,266,081	5,540,611	+ 5,725,470
West Ry of Ala	4,374,645	2,466,901	1,954,111	617,186	+ 1,336,925
Colum & Green	1,528,676	1,352,301	295,032	266,869	+ 28,163
Fla East Coast	20,838,086	11,499,121	9,356,879	2,846,108	+ 6,510,771
Georgia & Fla	1,769,063	1,644,759	316,797	396,412	—79,615
Gulf Mob & Ohio	33,173,151	23,647,846	12,498,169	7,521,323	+ 4,976,846
Illinois Central System—					
Central of Ga	29,503,084	22,336,739	10,533,270	6,309,496	+ 4,223,774
Gulf & Ship Isl	2,516,981	1,670,591	661,420	322,929	+ 338,491
Illinois Central	177,370,948	122,274,463	56,492,101	33,323,273	+ 23,168,828
Yazoo & Mis V	35,655,474	20,163,863	17,052,953	7,385,987	+ 9,666,966
Mississippi Cent	1,650,656	1,177,387	657,062	328,686	+ 328,376
Norfolk & South	7,879,771	5,640,838	2,715,480	1,503,360	+ 1,212,120
Seaboard Air L	110,242,375	64,608,903	43,232,017	15,808,181	+ 27,423,836
Southern System—					
Ala Gt Southn	19,749,292	11,102,951	9,844,578	4,301,120	+ 5,543,458
Cin N O & T P	30,697,673	22,621,592	14,406,619	9,543,206	+ 4,863,413
Ga So & Fla	5,202,727	3,594,411	2,136,528	1,050,090	+ 1,086,438
N O & Nor'east	11,851,397	5,613,872	6,845,029	2,849,032	+ 3,995,997
Southern	204,605,581	739,926,434	90,858,844	51,379,121	+ 39,479,723
Tennessee Cental	3,987,281	2,937,785	1,009,683	752,752	+ 256,931
Total (26 rds.)	1,052,924,539	698,242,859	429,960,167	225,274,776	+ 204,685,391

	Gross		Net		
Pocahontas Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Ches & Ohio	181,809,761	150,237,334	86,394,705	69,998,035	+ 16,396,670
Norfolk & West	139,600,164	120,176,914	63,427,145	56,537,932	+ 6,889,213
Richm Fred & Po	28,117,740	14,039,903	16,335,447	5,620,305	+ 10,715,142
Virginian	26,523,147	27,837,329	13,226,737	15,402,029	—2,175,292
Total (4 rds.)	376,050,812	312,291,480	179,384,034	147,558,301	+ 31,825,733
Total So Dist (30 roads)	1,428,975,351	1,010,534,339	609,344,201	372,833,077	+ 236,511,124

Western District

	Gross		Net		
Northwestern Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Can Nat System—					
C N Lines in N E—See New England region					
Central Vermont—See New England region					
Dul Win & Pac	2,095,757	1,689,986	556,928	361,527	+ 195,401
Grand Trunk Western—See Great Lakes region					
Can Pac System—					
C P Lines in Me—See New England region					
C P Lines in Vt—See New England region					
Dul So S & Alt	4,230,689	3,367,250	1,258,621	872,899	+ 385,722
M St P & S S M	42,723,865	36,085,476	12,556,671	9,509,904	+ 3,046,767
Spokane Inter	1,701,197	945,424	841,349	306,501	+ 534,848
Chi & No West	138,395,019	109,866,461	44,053,216	28,999,990	+ 15,053,226
Chi St P M & O	23,730,124	20,134,522	6,072,065	4,509,967	+ 1,562,098
Chi Gt Western	25,465,654	21,506,933	9,155,591	7,416,407	+ 1,739,184
Chi Mil St P & P	179,867,280	139,646,122	63,904,016	41,880,586	+ 22,023,430
Dul M & Iron R	43,880,824	36,532,418	27,477,475	23,526,389	+ 3,951,086
Great Northern	165,206,031	125,044,883	71,887,555	46,721,517	+ 25,166,038
Green Bay & W	2,296,138	2,000,824	626,992	571,066	+ 55,926
L Sup & Ishpem	3,493,358	3,586,497	1,873,619	2,130,492	—256,873
Minn & St Louis	13,552,988	10,836,233	4,246,305	2,553,789	+ 1,692,516
Northern Pacific	119,310,556	85,346,327	42,081,453	25,436,607	+ 16,644,846
Spok Portl & S	19,540,611	13,289,042	9,738,851	5,152,173	+ 4,586,678
Total (15 rds.)	785,490,091	609,878,398	296,330,707	199,949,814	+ 96,380,893

	Gross		Net		
Central Western Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Atch Top & S Fe	361,148,930	225,043,648	162,821,763	68,132,940	+ 94,688,823
Balt & Ohio System—					
Alton	31,712,090	20,245,864	11,956,218	5,432,431	+ 6,523,787
Balt & Ohio—See Central Eastern region					
Staten Island Rap Tr—See Central Eastern region					
Burlington Route—					
Ch B & Quincy	165,289,325	117,521,355	65,873,629	34,473,430	+ 31,400,199
Colo & Southn	10,746,777	7,946,471	3,734,582	1,976,666	+ 1,757,916
Ft Worth & D C	10,937,441	6,711,910	4,929,908	2,107,588	+ 2,822,320
Den & Rio Gr W	54,475,496	31,572,624	23,214,802	7,353,504	+ 15,861,298
Denver & S Lake	2,880,759	2,459,879	921,352	656,406	+ 264,946
Nevada Northern	700,767	704,646	344,293	332,351	+ 11,942
Colo & Wyoming	1,834,823	1,642,688	795,134	792,366	+ 2,768
Chi R I & Pac	137,067,138	96,962,499	52,477,894	27,857,442	+ 24,620,452
Southern Pacific System—					
Northwest Pac	5,190,198	3,526,670	1,525,063	226,131	+ 1,298,932
St L Southwestern—See Southwestern region					
Southern Pac	370,469,054	232,899,215	150,276,703	72,901,113	+ 77,375,590
Texas & N O—See Southwestern region					
Tol Peoria & W	3,230,356	2,775,366	1,388,347	1,148,150	+ 240,197
Union Pacific	353,064,543	218,091,994	134,025,413	58,094,100	+ 75,931,313
Utah	1,361,801	920,441	361,029	166,838	+ 194,191
Western Pacific	38,537,321	24,089,163	16,109,884	7,331,658	+ 8,778,226
Total (16 rds.)	1,548,646,819	993,114,433	630,756,014	288,983,114	+ 341,772,900

	Gross		Net		
Southwestern Region—	1942 $	1941 $	1942 $	1941 $	Inc. or Dec. $
Burl-Rock Island	1,814,295	1,224,114	443,338	108,629	+ 334,709
Frisco Lines—					
St L-San Fran	85,577,649	59,326,160	30,823,573	15,868,888	+ 14,954,685
St L S Fr & Tex	3,465,194	1,868,031	1,705,082	540,225	+ 1,164,857
Kans City South	34,316,348	19,163,035	13,024,995	7,059,110	+ 5,965,885
Kan Okla & Gulf	3,243,746	2,497,246	1,756,718	1,354,706	+ 402,012
Louisiana & Ark	15,696,549	10,553,722	4,886,895	4,366,566	+ 520,329
Midland Valley	1,500,524	1,473,161	633,862	688,839	—54,977
Missouri & Ark	1,729,768	1,359,196	303,042	228,864	+ 74,178
Mo-Kansas-Texas	58,626,219	34,921,770	18,635,395	9,134,446	+ 9,500,949
Missouri Pac System—					
Beaum S L & W	7,626,074	3,807,155	4,094,199	1,808,011	+ 2,286,188
Internat Gt No	21,760,522	14,075,033	7,771,653	2,929,248	+ 4,842,405
Missouri Illinois—See Central Eastern region					
Missouri Pac	178,424,500	111,900,737	77,313,745	35,298,784	+ 42,014,961
N O Tex & Mex	6,596,003	3,227,829	3,605,229	1,295,354	+ 2,309,875
St L Brown & M	12,367,234	7,962,131	5,931,047	2,831,904	+ 3,099,143
S A Uvalde & G	1,816,205	1,396,190	218,027	67,619	+ 150,408
Texas & Pacific	51,764,233	32,839,670	22,130,935	11,175,932	+ 10,955,003
Okla C-Ada-Atok	1,330,759	355,014	714,257	112,366	+ 601,891
Southern Pacific System—					
Northwestern Pac—See Central Western region					
St L So'western	48,714,197	28,256,047	25,399,890	10,729,849	+ 14,670,041
Southern Pacific—See Central Western region					
Texas & N Orl	102,275,682	60,442,116	49,949,880	20,702,199	+ 29,247,681
Texas Mexican	1,721,976	1,388,893	635,271	470,428	+ 164,843
Total (20 rds.)	640,367,677	398,037,250	269,977,033	126,771,967	+ 143,205,066
Total Western District (51 rds.)	2,974,504,587	2,001,030,081	1,197,063,754	615,704,895	+ 581,358,859
Total All Dist. (132 roads)	7,466,223,077	5,342,255,003	2,864,897,652	1,682,270,377	+ 1,182,627,275

Earnings, Man Hours, Pay Reach New Peaks

Earnings, man hours worked, and total payrolls rose to new peak levels in January, according to the regular monthly survey of 25 manufacturing industries by the National Industrial Conference Board. Employment reversed the upward trend of the past year and declined fractionally in January but exceeded all previous levels except that of December, 1942.

From the Board's announcement, March 22, we also quote:

"Average hourly earnings of all wage earners in the 25 manufacturing industries, after increasing for 30 consecutive months, reached $.978 in January, 1943. While the January level exceeded that of December by only .08%, it was 11.4% above January, 1942, and 28.9% above January, 1941. The rise from December to January resulted largely from wage-rate increases.

"Average weekly earnings rose 1.2%, and averaged $43.49, a new peak. From January, 1941, to January, 1943, weekly earnings of manufacturing workers have increased 42.1%. Since living costs rose only 17.9% in the two-year period, "real" weekly earnings, or dollar earnings in terms of the commodities and services that they will purchase, were 20.5% higher at the end of the period than at the beginning. "Real" weekly earnings in January were 0.8% higher than in December, 1942, and 8.1% above January, 1942.

"The average manufacturing wage earner in the 25 industries worked 44.3 hours a week in January, 1943, the greatest number of work hours averaged per week since June, 1930. While the average work week was shortened in 13 of the individual industries in January, an increase of more than three hours in weekly working time of automobile workers, combined with somewhat smaller rises in working hours in 11 other industries, more than offset the declines.

"January was the first month since December, 1941, in which employment declined. Because the decline between the two consecutive months amounted to only 0.1%, the January level was higher than that in any other previous month since these surveys were initiated except December, 1942. Since January, 1941, employment gains have amounted to 32.9%.

"Total man hours rose 0.1% in January to a new peak level. They exceeded total man hours in January, 1941, by 46.5%. As compared with June, 1930, when the average work week consisted of 44.5 hours, man hours in January, 1943, were up 63.1%.

"The effect of curtailed employment in January was more than offset by higher weekly earnings, so that total payrolls at 236.9 (1923=100) reached a new peak, 1.0% higher than they had been in December and 31.5% above January, 1942. Since January, 1941, they have risen 88.8%."

Army-Navy "E" Awarded To A Cities Service Co.

The Cities Service Defense Corporation, a subsidiary of the Cities Company, was honored with the Army-Navy Production Award for excellence in War Production. The "E" award was conferred in the presence of Army and Navy officers and employees of the Maumelle Ordnance Works on March 19th at Little Rock, Ark. The plant is located at West Marche, Arkansas. Over 2,530 employees of the Cities Service System, of which W. A. Jones is President and John M. McMillin Vice-President, are serving in the armed forces of the United States in all parts of the world.

Federal Reserve February Business Indexes

The Board of Governors of the Federal Reserve System issued on March 25 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for February, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings;
1939=100 for factory employment and payrolls;
1923-25 average = 100 for all other series

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Feb. 1943	Jan. 1943	Feb. 1942	Feb. 1943	Jan. 1943	Feb. 1942
Industrial production—						
Total	†203	199	172	†198	194	167
Manufactures—						
Total	†215	212	179	†211	208	175
Durable	†298	291	225	†295	287	221
Nondurable	†148	149	142	†143	143	138
Minerals	†132	126	133	†122	117	125
Construction contracts, value—						
Total	*	†137	128	*	†112	111
Residential	*	†80	100	*	†67	89
All other	*	†183	151	*	†149	129
Factory employment—						
Total	†168.1	167.3	143.7	†166.6	165.0	142.3
Durable goods	†223.0	219.3	173.3	†222.0	218.1	172.3
Nondurable goods	†124.9	126.3	120.4	†123.0	123.1	118.6
Factory payrolls—						
Total	---	---	---	*	291.2	208.2
Durable goods	---	---	---	*	299.9	265.8
Nondurable goods	---	---	---	*	185.0	151.9
Freight-car loadings	141	135	139	130	124	129
Department store sales, value	†165	143	126	†130	111	99
Department store stocks, value	*	†104	102	*	93	98

*Data not yet available. †Preliminary or estimated.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Feb. 1943	Jan. 1943	Feb. 1942	Feb. 1943	Jan. 1943	Feb. 1942
Manufactures—						
Iron and steel	207	203	194	207	203	194
Pig iron	200	197	189	200	197	189
Steel	230	225	211	230	225	211
Open hearth and Bessemer	184	181	178	184	181	178
Electric	559	539	448	559	539	448
Machinery	†354	347	259	†354	347	259
Transportation equipment	†586	564	314	†586	564	314
Non-ferrous metals & products	†193	200	187	†198	200	187
Lumber and products	†128	124	144	†114	108	128
Lumber	†120	116	143	†99	91	118
Furniture	†144	141	147	†144	141	147
Stone, clay, & glass products	*	163	158	*	138	132
Cement	*	169	162	*	139	132
Polished plate glass	40	38	47	40	38	47
Textiles and products	†157	157	156	†157	157	156
Cotton consumption	171	171	174	171	171	174
Rayon deliveries	†180	180	174	†180	180	174
Wool textiles	*	153	153	*	153	153
Leather products	†119	121	‡125	†124	119	‡132
Tanning	*	122	127	*	123	‡139
Cattle hide leathers	*	143	‡140	*	144	155
Calf and kip leathers	*	95	93	*	93	98
Goat and kid leathers	*	91	‡121	*	91	‡126
Shoes	†116	120	‡124	†117	117	‡127
Manufactured food products	†157	159	139	†137	142	121
Wheat flour	130	129	110	129	130	109
Meat packing	†152	145	141	†147	171	135
Other manufactured foods	†163	167	142	†142	147	124
Tobacco products	131	140	130	122	132	121
Cigars	116	127	126	101	103	109
Cigarettes	153	162	144	144	159	136
Manufactured tobacco & snuff	86	94	93	85	91	92
Paper and products	*	131	151	*	130	153
Paperboard	143	137	167	143	137	167
Newsprint production	93	92	110	92	92	108
Printing and publishing	†112	113	125	†113	111	126
Newsprint consumption	99	102	103	98	97	102
Petroleum and coal products	*	117	129	*	116	129
Petroleum refining	*	109	124	*	109	124
Gasoline	†102	99	121	†102	99	121
Fuel oil	*	137	129	*	137	129
Lubricating oil	*	111	131	*	108	129
Kerosene	*	104	123	*	106	129
Coke	†167	166	‡162	†167	166	‡162
Byproduct	†157	157	152	†157	157	152
Beehive	†511	484	‡510	†511	484	‡510
Chemicals	†209	207	161	†209	206	161
Minerals—						
Fuels	†131	124	130	†131	124	130
Bituminous coal	†157	145	141	†157	145	141
Anthracite	†129	102	121	†129	102	121
Crude petroleum	†121	118	127	†121	118	127
Metals	†137	137	153	†73	73	92
Iron ore	234	232	214	---	---	---

*Data not yet available. †Preliminary or estimated. ‡Revised.

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

	Feb. 1943	Jan. 1943	Feb. 1942	Feb. 1943	Jan. 1943	Feb. 1942
Coal	127	119	116	145	135	132
Coke	154	161	150	189	193	184
Grain	170	157	131	142	138	110
Livestock	113	102	95	90	98	76
Forest products	135	130	159	129	117	153
Ore	193	202	187	48	50	47
Miscellaneous	153	149	151	137	132	135
Merchandise, l.c.l.	61	57	100	58	55	96

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

National Fertilizer Association Commodity Price Index Again Higher

The wholesale commodity price level was again higher last week, according to the price index compiled by the National Fertilizer Association, and made public on March 29. This index in the week ended March 27 rose to 135.9 from 135.5 in the preceding week. It was 134.9 a month ago, and 124.9 a year ago, based on the 1935-1939 average as 100. The Association's report added:

The continuation of the upward trend in the all-commodity index was due primarily to higher prices for farm products and foods. The index of industrial commodities was fractionally lower. In the farm product group price increases for cotton, corn, oats, rye, barley, cattle, hogs, and sheep offset decreases in wheat, eggs, and lambs. Sharply higher quotations for potatoes were responsible for the advance in the food price average. The fertilizer materials index advanced fractionally, reflecting certain slightly higher superphosphate quotations, following raising of price ceilings by the Office of Price Administration. The textile price index continued upward last week. The only other group average to register a change was the chemicals and drugs index, which declined fractionally.

During the week 11 price series included in the index advanced and nine declined; in the preceding week there were 11 declines and nine advances; in the second preceding week there were eight advances and seven declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Mar. 27 1943	Preceding Week Mar. 20 1943	Month Ago Feb. 20 1943	Year Ago Mar. 28 1942
25.3	Foods	138.7	138.2	137.7	121.8
	Fats and Oils	148.0	148.0	148.1	136.2
	Cottonseed Oil	160.1	160.1	159.0	159.0
23.0	Farm Products	155.8	155.1	152.6	136.2
	Cotton	201.7	200.9	197.3	189.8
	Grains	140.6	139.0	136.3	116.0
	Livestock	152.4	151.9	149.5	130.7
17.3	Fuels	121.8	121.8	121.7	114.0
10.8	Miscellaneous commodities	130.4	130.4	129.4	128.1
8.2	Textiles	151.5	151.4	150.9	148.4
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.2	152.2	151.9	139.8
1.3	Chemicals and drugs	126.6	127.0	127.6	120.3
.3	Fertilizer materials	117.9	117.6	117.6	118.9
.3	Fertilizers	119.8	119.8	†119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.9	135.5	134.9	124.9

*Indexes on 1926-1928 base were March 27, 1943, 105.9; March 20, 105.6; March 28, 1942, 97.3. †Revised.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended March 20 is estimated at 12,360,000 net tons, a decrease of 240,000 tons, or 1.9%, from the preceding week. Output in the corresponding week of 1942 was 11,075,000 tons. For the current year to date, production of soft coal and lignite was 6.6% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 20 was estimated at 1,221,000 tons, a decrease of 71,000 tons (5.5%) from the preceding week. When compared with the output in the corresponding week of 1942, however, there was an increase of 114,000 tons, or 10.3%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended March 20 showed a decrease of 12,000 tons when compared with the output for the week ended March 13. The quantity of coke from beehive ovens decreased 400 tons during the same period.

ESTIMATED UNITED STATES PRODUCTS OF SOFT COAL
WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM
In Net Tons (000 omitted)

	—Week Ended—			—January 1 to Date—		
Bituminous coal and lignite—	Mar. 20 1943	Mar. 13 1943	Mar. 21 1942	†Mar. 20 1943	Mar. 21 1942	Mar. 26 1937
Total, incl. mine fuel	12,360	12,600	11,075	134,040	125,793	118,139
Daily average	2,060	2,100	1,846	2,001	1,850	1,766
*Crude Petroleum—						
Coal equivalent of weekly output	6,253	6,211	5,913	70,121	73,883	59,204

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	—Week Ended—			—Calendar Year to Date—		
Penn. anthracite—	§Mar. 20 1943	Mar. 13 1943	Mar. 21 1942	Mar. 20 1943	Mar. 21 1942	Mar. 23 1929
*Total, incl. colliery fuel	1,221,000	1,292,000	1,107,000	13,162,000	12,765,000	17,279,000
†Commercial production	1,172,000	1,240,000	¶1,063,000	12,635,000¶	12,254,000	16,035,000
Beehive coke—						
United States total	165,100	165,500	149,400	1,779,600	1,690,600	1,438,000
By-product coke—						
United States total	1,215,700	1,227,800	1,169,000	13,742,400	13,389,400	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	—Week Ended—					
State—	Mar. 13 1943	Mar. 6 1943	Mar. 14 1942	Mar. 15 1941	Mar. 13 1937	Mar. avge. ¶1923
Alabama	391	380	376	370	313	423
Alaska	6	6	5	4	2	**
Arkansas and Oklahoma	108	102	50	68	48	77
Colorado	180	182	172	167	157	195
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,525	1,539	1,236	1,292	1,583	1,684
Indiana	510	522	496	559	516	575
Iowa	58	62	63	80	117	122
Kansas and Missouri	189	190	160	196	180	144
Kentucky—Eastern	1,033	965	773	908	877	560
Kentucky—Western	308	331	261	243	273	215
Maryland	38	39	38	38	38	52
Michigan	6	7	7	13	29	32
Montana (bituminous and lignite)	91	84	70	54	62	68
New Mexico	43	42	34	29	40	53
North and South Dakota (lignite)	69	63	47	44	45	**34
Ohio	739	732	686	620	663	740
Pennsylvania (bituminous)	2,900	2,803	2,698	2,878	2,873	3,249
Tennessee	157	149	148	155	136	118
Texas (bituminous and lignite)	6	6	5	8	14	19
Utah	130	129	102	75	103	68
Virginia	458	435	377	371	324	230
Washington	37	42	38	36	39	74
*West Virginia—Southern	2,453	2,391	2,176	2,140	2,098	1,172
†West Virginia—Northern	962	946	899	811	768	717
Wyoming	201	201	131	128	131	136
‡Other Western States	1	1	††	1	1	**7
Total bituminous and lignite	12,600	12,350	11,049	11,283	11,435	10,764
§Pennsylvania anthracite	1,292	1,243	1,175	1,137	994	2,040
Total all coal	13,892	13,593	12,224	12,425	12,429	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Senate Votes Military Deferment For Farmers

Legislation to defer from military service all men employed substantially full time on farms raising essential war crops was passed by the Senate on March 17 by a vote of 50 to 24.

This measure, which now goes to the House directs draft boards to freeze agricultural workers on the farms if they are producing what the Agriculture Department considers essential crops and commodities. Under this bill, which was a substitute for the blanket farm deferment measure originally proposed by Senator Bankhead (Dem., Ala.), deferments would be revoked if farm workers transferred to other occupations without authorization of their local draft boards. The Senate-sponsored bill, also sponsored by Senator Bankhead, together with Senator Johnson (Dem., Colo.), would replace the amendment to the present law, in which deferments are authorized but not made mandatory under a unit system which requires minimum standards of production of essential crops.

The Senate had defeated on March 11, by a vote of 49 to 32, a measure by Senator O'Mahoney (Dem., Wyo.) to allow deferment only of farm workers producing specified amounts of war crops.

Before final passage of the Bankhead-Johnson bill, the Senate, by a vote of 65 to 9, rejected a proposal by Senator Pepper (Dem., Fla.) to set up a war mobilization group to determine manpower allocation for military, agricultural and industrial needs. Following this action, Senator Pepper moved to have the farm deferment bill recommitted to the Senate Military Affairs Committee, but this motion was defeated by a 51 to 23 vote.

Military leaders and administration officials had voiced opposition to blanket farm deferments on the grounds that it constituted discrimination in favor of a particular occupation and that it would interfere with plans for an army of 8,200,000 men by the end of 1943.

Two moves threatened to slow up the farm deferment legislation but these were temporarily withdrawn. One was sponsored by Senator Wheeler (Dem., Mont.) calling for deferment of all fathers from military service and the other by Senator Downey (Dem., Calif.) would defer "essential" transportation workers. The Senate Military Affairs Committee pledged that both these proposals would be given fair consideration if presented as separate issues.

FDR Lauds China's Views On No Territorial Aims

President Roosevelt on March 12 reaffirmed the principle of the policy that the United Nations should seek no territorial aggrandizement. At his press conference, the President read a recent statement of Chinese Generalissimo Chiang Kai-shek promising the people of occupied Thailand that China and her Allies have no territorial ambitions in Thailand.

Mr. Roosevelt said that this was a good outline of the general view of the United Nations in regard to territory grabbing.

The President, in speaking of Generalissimo Chiang's statement, addressed Feb. 26 to the Thai people, read this one paragraph from it:

"I can, therefore, give my solemn word that China as well as her allies have no territorial ambitions in Thailand and have no intentions of undermining her sovereignty and independence. The Thais, however, realize that their territory and freedom in Thailand can only be restored to her through the victory of China and her allies."

Trading On New York Exchanges

The Securities and Exchange Commission made public March 26 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended March 13, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 13 (in round-lot transactions) totaled 2,658,750 shares, which amount was 15.59% of total transactions on the Exchange of 8,522,690 shares. On the New York Curb Exchange, member trading during the week ended March 13 amounted to 515,408 shares, or 14.03% of the total volume of that Exchange of 1,837,242 shares.

The Commission made available the following data for the week ended March 13:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	944	684
1. Reports showing transactions as specialists	176	82
2. Reports showing other transactions initiated on the floor	207	43
3. Reports showing other transactions initiated off the floor	251	89
4. Reports showing no transactions	430	443

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 13, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	195,730	
‡Other sales	8,326,960	
Total sales	8,522,690	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	707,760	
Short sales	109,230	
‡Other sales	613,640	
Total sales	722,870	8.39
2. Other transactions initiated on the floor—		
Total purchases	366,110	
Short sales	34,400	
‡Other sales	378,620	
Total sales	413,020	4.57
3. Other transactions initiated off the floor—		
Total purchases	197,247	
Short sales	27,200	
‡Other sales	224,543	
Total sales	251,743	2.63
4. Total—		
Total purchases	1,271,117	
Short sales	170,830	
‡Other sales	1,216,803	
Total sales	1,387,633	15.59

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 13, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	11,495	
‡Other sales	1,825,747	
Total sales	1,837,242	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	146,778	
Short sales	9,025	
‡Other sales	150,705	
Total sales	159,730	8.34
2. Other transactions initiated on the floor—		
Total purchases	58,450	
Short sales	800	
‡Other sales	51,360	
Total sales	52,160	3.01
3. Other transactions initiated off the floor—		
Total purchases	37,775	
Short sales	1,100	
‡Other sales	59,415	
Total sales	60,515	2.68
4. Total—		
Total purchases	243,003	
Short sales	10,925	
‡Other sales	261,480	
Total sales	272,405	14.03
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	520	
§Customers' other sales	54,594	
Total purchases	55,114	
Total sales	39,065	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Electric Output For Week Ended Mar. 27, 1943 Shows 17.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 27, 1943, was approximately 3,928,170,000 kwh., compared with 3,345,502,000 kwh. in the corresponding week last year, an increase of 17.4%. The output for the week ended March 20, 1943, was 17.6% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Mar. 27	Mar. 20	Mar. 13	Mar. 6
New England	7.5	8.2	7.7	3.6
Middle Atlantic	12.5	11.6	11.7	11.3
Central Industrial	14.8	14.7	16.2	15.0
West Central	14.2	14.6	16.2	14.4
Southern States	25.4	26.0	24.1	20.1
Rocky Mountain	12.2	12.5	13.1	11.9
Pacific Coast	26.3	28.3	25.8	30.6
Total United States	17.4	17.6	17.5	16.3

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718.304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946.630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589

Civil Engineering Construction Gains 33 Percent Over Week Ago

Civil engineering construction volume for the week totals $74,130,000, an increase of 33% over the preceding week, but 58% lower than in the corresponding 1942 week as reported by "Engineering News-Record" on March 25. Private construction is 254% higher than a week ago, and public work is 14% higher as a result of the increases in State and municipal and Federal work. Comparisons with the week last year, however, reveal private work 21% lower, and public construction down 63%. Federal volume is 63% below a year ago, and State and municipal off 59%. The report continued as follows:

The current week's construction brings 1943 volume to $839,041,000, an average of $69,920,000 for each of the 12 weeks. On the weekly average basis, 1943 construction is 54% below the $1,993,088,000 reported for the 13-week period last year. Private work, $82,042,000, is down 53%, and public constructin, $756,999,000, is 55% lower when adjusted for the difference in the number of weeks.

Civil engineering construction for the 1942 week, last week, and the current week are:

	Mar. 26, 1942	Mar. 18, 1943	Mar. 25, 1943
Total Construction	$177,115,000	$55,634,000	$74,130,000
Private Construction	19,843,000	4,444,000	15,705,000
Public Construction	157,272,000	51,190,000	58,425,000
State and Municipal	10,620,000	1,914,000	4,356,000
Federal	146,652,000	49,276,000	54,069,000

In the classified construction groups, gains over last week are in waterworks, sewerage, industrial buildings, commercial buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over the 1942 week are in commercial buildings, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $628,000; sewerage, $709,000; bridges, $511,000; industrial buildings, $4,660,000; commercial building and large-scale private housing, $7,980,000; public buildings, $28,215,000; earthwork and drainage, $555,000; streets and roads, $4,945,000; and unclassified construction, $26,027,000.

New capital for construction purposes for the week totals $3,404,000, 54% lower than in the corresponding 1942 week. The week's new financing is made up of $1,250,000 in corporate security issues, and $2,154,000 in State and municipal bond sales.

New construction financing for the year to date, $62,718,000, compares with $1,419,454,000 reported for the 13-week period a year ago.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Mar 26 a summary for the week ended March 20 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 20, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	20,438
Number of Shares	573,515
Dollar Value	18,587,387
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	223
*Customers' other sales	19,227
Customers' total sales	19,450
Number of Shares:	
Customers' short sales	6,540
*Customers' other sales	522,093
Customers' total sales	528,633
Dollar value	15,356,499
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	190
†Other sales	131,810
Total sales	132,000
Round-Lot Purchases by Dealers—	
Number of shares	169,700

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Welles Reports On Oil Sent To Spain

Shipments of petroleum products from the United States to Spain during the last two years totaled 245,118 metric tons (roughly 1,942,000 barrels), according to information furnished the House of Representatives on March 12 by Acting Secretary of State Sumner Welles.

In a letter to Representative Bloom (Dem., N. Y.), Chairman of the House Foreign Affairs Committee, Mr. Welles reported that petroleum products exported to Spain from the United States were 227,347 metric tons in 1941 and 17,771 metric tons in 1942. "These are the only shipments made from the United States in the last two years," Mr. Welles said, adding that "the last bulk shipment from this country occurred on Feb. 19, 1942."

Mr. Welles disclosed this information to Mr. Bloom in response to a House resolution which was before the House Foreign Affairs Committee, seeking to determine how foreign petroleum shipments affected the domestic supply, especially on the East coast. This matter came up for discussion when Carlton J. H. Hayes, American Ambassador to Spain, made several disclosures in an address at Barcelona on Feb. 26, which was referred to in our issue of March 4, page 847.

Mr. Welles' letter continued:

"However, by arrangement between the Government of the United States and Great Britain, Spain has been permitted in her own vessels to carry through the blockade certain limited quantities of oil bought by Spain in South American ports and transported under the Spanish flag. The movement envisaged in the arrangement was estimated to meet essential needs, especially public utilities and transportation. Under this procedure Spain does not have in stock at any one time a supply for those minimum needs for longer than a 60-day period with respect to any petroleum products, except lubricating oil, of which a 90-day limited supply is allowed. Adequate guaranties have been furnished by the Spanish Government to satisfy the British and United States Governments that none of these petroleum products will leave Spain or Spanish territories. The arrangement for the shipment of these quantities of oil was for the purpose of permitting the continuance at a minimum level of the economic life of Spain, Spanish Morocco and Spain's island possessions in the Atlantic. The program of shipments has received the approval of the Joint Chiefs of Staff.

"No future sales to Spain from the United States are in contemplation except small quantities of libricating oils unobtainable in South America.

"Any future shipments by Spain from South America will be subject to the agreement of the British and American Governments and the approval of the Joint Chief of Staff.

"As can be seen from the foregoing, the transportation of petroleum products in Spanish vessels from ports outside of the United States has no relation to the quantity of petroleum products available to the Eastern seaboard of this country."

Lend-Lease For Mexico

A new lend-lease agreement between the United States and Mexico was signed at Washington March 18 by Secretary of State Hull and the Mexican Ambassador Francisco Castillo Majero. It is stated that the new treaty, terms of which are confidential, supersedes the agreement between Mexico and the United States signed March 27, 1942. (The latter was referred to in our issue of April 2, page 1327.)

Daily Average Crude Oil Production For Week Ended March 20, 1942 Increased 26,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 20, 1943, was 3,903,650 barrels, a gain of 26,350 barrels over the preceding week, and an increase of 211,950 barrels per day when compared with the corresponding week of 1942. The current figure, however, is 290,150 barrels below the daily average figure as recommended by the Petroleum Administration for War for the month of March, 1943. Daily output for the four weeks ended March 13, 1943, averaged 3,885,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,618,000 barrels of crude oily daily and produced 10,261,000 barrels of gasoline; 3,822,000 barrels of distillate fuel oil, and 7,312,000 barrels of residual fuel oil during the week ended March 20, 1943; and had in storage at the end of that week 94,159,000 barrels of gasoline; 31,724,000 barrels of distillate fuels and 68,178,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations March	*State Allowables Beginning Mar. 1	—Actual Production— Week Ended Mar. 20 1943	Change from Previous Week	4 Weeks Ended Mar. 20 1943	Week Ended Mar. 21 1942
Oklahoma	390,700	390,700	†342,450	+15,250	340,600	390,350
Kansas	309,900	309,900	†315,400	+28,500	301,950	228,750
Nebraska	2,800		†2,350	+ 500	2,300	4,150
Panhandle Texas			88,600	----	88,700	84,300
North Texas			137,000	+ 850	135,950	148,600
West Texas			218,100	+ 100	217,000	210,150
East Central Texas			99,800	----	100,400	84,550
East Texas			323,400	----	323,800	293,000
Southwest Texas			172,400	----	171,050	173,750
Coastal Texas			353,600	— 600	345,400	249,350
Total Texas	1,502,000	‡1,501,801	1,392,900	+ 350	1,382,300	1,243,700
North Louisiana			88,950	— 200	89,350	80,550
Coastal Louisiana			250,600	----	249,600	252,300
Total Louisiana	349,800	370,300	339,550	— 200	338,950	332,850
Arkansas	78,700	74,826	70,800	----	72,200	76,500
Mississippi	50,000		†58,300	+ 4,450	55,100	90,300
Illinois	262,300		229,500	—22,400	236,950	323,000
Indiana	16,500		†13,750	— 1,150	14,800	20,150
Eastern (not incl. Ill. & Ind.)	115,000		95,350	+ 2,500	94,250	98,600
Michigan	63,700		55,700	— 5,400	58,050	46,100
Wyoming	92,500		90,050	+ 2,950	88,750	90,300
Montana	23,400		17,800	----	18,850	21,450
Colorado	7,000		6,850	+ 100	6,700	5,900
New Mexico	105,800	105,800	92,400	----	94,500	92,600
Total East of Calif.	3,370,100		3,123,150	+25,450	3,106,250	3,064,700
California	823,700	§823,700	780,500	+ 900	779,050	627,000
Total United States	4,193,800		3,903,650	+26,350	3,885,300	3,691,700

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,500; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. March 17.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 20, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,643	67.2	4,588	40,268	14,544	9,929
Appalachian	177	84.8	147	83.1	375	2,721	807	488
Ind., Ill., Ky.	811	85.0	702	86.6	2,251	21,059	3,464	2,598
Okla., Kansas, Mo.	416	80.1	349	83.9	1,084	7,298	1,665	1,374
Rocky Mountain	147	48.0	91	61.9	281	2,090	356	554
California	817	89.9	686	84.0	1,682	20,723	10,888	53,235
Tot. U. S. B. of M. basis March 20, 1943	4,812	86.2	3,618	75.2	10,261	†94,159	31,724	68,178
Tot. U. S. B. of M. basis Mar. 13, 1943	4,812	86.2	3,579	74.4	10,071	¶94,161	**32,629	68,243
U. S. Bur. of Mines basis March 21, 1942			3,579		11,297	107,926	31,337	83,394

*At the request of the Petroleum Administration for War. †Finished, 84,263,000 barrels; unfinished, 9,896,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,822,000 barrels of gas oil and distillate fuel oil and 7,312,000 barrels of residual fuel oil produced in the week ended March 20, 1943, which compares with 3,879,000 barrels and 7,145,000 barrels, respectively, in the preceding week, and 3,661,000 barrels and 6,344,000 barrels respectively, in the week ended March 21, 1942. ¶Revised upward in Combined Area (not District I) due to receipt of information covering line—fill, etc. in certain new pipeline projects not previously available in complete form by 882,000 barrels. **Revised upward in Combined Area (not District I) for same reason as in (b) by 1,234,000 barrels and in Indiana, Illinois and Kentucky by 282,000 barrels.

Wholesale Commodity Index Shows First Decline Since Mid-October, Labor Department Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on March 25 that prices of farm products, which have advanced steadily for a number of months, receded by 0.9% during the week ended March 20. There were few other changes in commodity prices in primary markets. As a result of lower prices in agricultural commodity markets, largely grains and livestock, the Bureau's comprehensive index of all commodities dropped 0.2% to 103% of the 1926 average. This is the first decline in the general index since mid-October of last year.

The Bureau's announcement further stated:

"**Farm Products and Foods**—Led by decreases of approximately 1½% in average prices for grains and livestock and poultry, the farm products group index dropped 0.9% during the week. Wheat and rye declined 2%, oats and corn 1% and barley 0.5%. Quotations for hogs were down 2.5% and steers dropped about 1%. Lower prices were also reported for cotton, apples, lemons, tobacco and dried beans. Higher prices were reported for eggs, flaxseed, oranges, onions and potatoes in the New York market. Notwithstanding the recent decline, average prices for farm products are 2% higher than at this time last month.

"Average prices for foods in primary markets rose 0.1% during the week largely as a result of increases in prices for oatmeal, cornmeal and wheat flour, for a few fresh fruits and vegetables, and for olive oil. Lower prices were reported for rye flour and for oleomargarine.

"**Industrial Commodities**—Except for an increase of 0.1% in the index for fuel and lighting materials, with higher prices for kerosene and for bituminous coal in some areas, there were very few changes in industrial commodity prices during the week. Linseed oil and turpentine continued to advance, while common building brick declined slightly. Quotations for stearic acid were up nearly 3% and further advances were reported in prices for boxboard."

The Bureau makes the following notation:

"During the period of rapid changes caused by price controls, materials allocation and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Feb. 20, 1943 and March 21, 1942, and the percentage changes from a week ago, a month ago and a year ago:

(1926=100)

Commodity groups—	3-20 1943	3-13 1943	3-6 1943	2-20 1943	3-21 1942	Percentage changes to March 20,1943 from 3-13 1943	2-20 1943	3-21 1942
All commodities	*103.0	*103.2	*102.9	*102.4	97.2	—0.2	+0.6	+ 6.0
Farm products	122.4	123.5	122.0	120.0	103.1	—0.9	+2.0	+18.7
Foods	107.1	107.0	106.4	105.7	95.5	+0.1	+1.3	+12.1
Hides and leather products	118.4	118.4	118.4	118.4	116.8	0	0	+ 1.5
Textile products	96.8	96.8	96.8	96.8	95.9	0	0	+ 0.9
Fuel and lighting materials	80.8	80.7	80.9	80.5	78.2	+0.1	+0.4	+ 3.3
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.7	0	0	+0.2
Building materials	110.4	110.4	110.1	110.0	110.4	0	+0.4	0
Chemicals and allied products	100.0	100.0	99.9	100.3	97.1	0	—0.3	+ 3.0
Housefurnishing goods	104.2	104.2	104.1	104.1	104.1	0	+0.1	+ 0.1
Miscellaneous commodities	91.2	91.2	91.0	90.7	89.7	0	+0.6	+ 1.7
Raw materials	111.5	112.1	111.2	109.8	97.6	—0.5	+1.5	+14.2
Semimanufactured articles	92.9	92.9	92.9	92.8	92.2	0	+0.1	+ 0.8
Manufactured products	*100.6	*100.6	*100.6	*100.5	97.9	0	+0.1	+ 2.8
All commodities other than farm products	*98.8	*98.8	*98.7	*96.6	95.9	0	+0.2	+ 3.0
All commodities other than farm products and foods	*96.6	*96.6	*96.6	*96.4	95.3	0	+0.2	+ 1.4

*Preliminary.

Non-Ferrous Metals — Consumption Of Copper And Zinc For War Purposes Heavy—Lead Quiet

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of March 25, stated: "Though available supplies of copper and zinc during the first quarter of 1943 were larger than in the same period last year, the enormous war demands have not slackened and officials in Washington are asking for increased production from all sources. Last week Donald M. Nelson, head of WPB, again referred to copper as the No. 1 critical metal. Call for lead moderated last week following two weeks of fairly heavy buying. Ceiling prices on various silver manufactures containing newly mined domestic metal were raised by OPA to conform with the cost of the domestic metal." The publication further went on to say in part:

Copper

Annual reports of copper producers issued so far this year indicate that costs have risen, and in a number of instances the question of revising quotas to obtain added compensation to maintain production will be raised before long. Owing to the strong demand for copper, the industry believes that the quota committee henceforth will be more realistic in handling such requests, particularly in reference to properties that have been maintaining output under difficult conditions. The United States is producing copper at the highest rate on record, probably 10% in volume higher than at this time last year.

Lead

With domestic production of lead for shipment next month virtually sold, the volume of business declined last week to the usual level that obtains before allocations by Metals Reserve are arranged.

Sales of common lead for the last week were 64% below those in the week previous. Quotations continued at 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

Allocation certificates for April zinc have been placed in the mail and the industry will get busy in a day or two arranging for the distribution of the metal. The price situation in zinc remains unchanged.

Control of zinc dust allocations has been extended until revoked by WPB.

Consumers of zinc oxide have been relieved of the necessity of furnishing written statements to suppliers certifying that receipt of any further shipment will not increase inventory in excess of a necessary working supply. The clause requiring certification was eliminated in an amendment to General Preference Rating Order M-11-a, issued March 20. The effective date was made retroactive to Jan. 1, 1943. Producers are still prohibited from knowingly making a delivery of zinc oxide, and other persons are prohibited from receiving the material, if receipt of such shipment by the customer would increase his stocks on hand excessively.

Tin

Tin-plate production in this country for the second quarter of the year is expected to total around 690,000 tons. A substantial quantity will be produced electrolytically.

The price situation in tin remains unchanged. Straits quality metal for shipment was as follows:

	March	April	May
March 18	52.000	52.000	52.000
March 19	52.000	52.000	52.000
March 20	52.000	52.000	52.000
March 22	52.000	52.000	52.000
March 23	52.000	52.000	52.000
March 24	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

Trade authorities believe that Spain has been producing quicksilver at a high rate and that stocks held in that country must be large. Production in Spain for 1941, it is recalled, was placed unofficially at 85,500 flasks, a record output. Sales for export during 1941 amounted to 39,980 flasks, indicating that stocks increased appreciably. With output in Italy, Mexico, Canada, and the United States also at record levels, observers conclude that more quicksilver is being produced by far than ever before in the history of the industry.

Quotations for quicksilver in New York last week continued at $196 @ $198 per flask.

Silver

Maximum prices for twelve specified lines of finished silverware and other articles containing newly mined domestic silver may be increased by 36¢ for each troy ounce of fine silver contained in the article, according to Maximum Price Regulation 188, Order 226, effective March 23.

The Senate Appropriations Committee voted March 19 to strike from the Treasury-Post Office appropriations bill the House-approved amendment to withhold funds from the Treasury for the purchase of silver. This action upholds a subcommittee recommendation made earlier this month.

The silver market in London was inactive last week, with the price unchanged at 23½d.

Demand for silver in the domestic market for industrial purposes continues active. The New York Official and Treasury prices were unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Lumber Movement—Week Ended March 20, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 458 mills reporting to the National Lumber Trade Barometer exceeded production by 7.3% for the week ended March 20, 1943. In the same week new orders of these mills were 21.1% greater than production. Unfilled order files in the reporting mills amounted to 92% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 38 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 16.8%; orders by 21.4%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 41.8% greater; shipments were 22.7% greater, and orders were 35.6% greater.

Revenue Freight Car Loadings During Week Ended Mar. 20, 1943 Amounted to 768,134 Cars

Loading of revenue freight for the week ended March 20, 1943, totaled 768,134 cars, the Association of American Railroads announced on March 25. This was a decrease below the corresponding week of 1942, of 28,520 cars, or 3.6%, and a decrease below the same week in 1941, of 1,850 cars, or 0.3%.

Loading of revenue freight for the week of March 20 decreased 908 cars, or 0.1% below the preceding week.

Miscellaneous freight loading totaled 367,612 cars, an increase of 6,723 cars above the preceding week, but a decrease of 7,602 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,829 cars, an increase of 2,210 cars above the preceding week, but a decrease of 46,248 cars below the corresponding week in 1942.

Coal loading amounted to 173,612 cars, a decrease of 4,869 cars below the preceding week, but an increase of 20,775 cars above the corresponding week in 1942.

Grain and grain products loading totaled 43,140 cars, a decrease of 5,459 cars below the preceding week, but an increase of 7,572 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of March 20 totaled 29,749 cars, a decrease of 4,704 cars below the preceding week but an increase of 7,890 cars above the corresponding week in 1942.

Live stock loading amounted to 12,517 cars, an increase of 13 cars above the preceding week, and an increase of 2,069 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of March 20 totaled 9,304 cars, a decrease of 152 cars below the preceding week, but an increase of 1,660 cars above the corresponding week in 1942.

Forest products loading totaled 40,154 cars, a decrease of 2,154 cars below the preceding week and a decrease of 7,325 cars below the corresponding week in 1942.

Ore loading amounted to 17,312 cars, an increase of 2,491 cars above the preceding week and an increase of 1,349 cars above the corresponding week in 1942.

Coke loading amounted to 14,958 cars, an increase of 137 cars above the preceding week, and an increase of 890 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas, Centralwestern and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern, Allegheny and Northwestern.

	1943	1942	1941
5 weeks of January	3.530.849	3.858.479	3.454.409
4 weeks of February	3.055.640	3.122.942	2.866.565
Week of March 6	748.890	770 485	742.617
Week of March 13	769.042	799.356	759.607
Week of March 20	768.134	796.654	769.984
Total	8,872,555	9,347,916	8,593.182

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 20, 1943. During this period only 47 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS

(NUMBER OF CARS)—WEEK ENDED MARCH 20

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Eastern District—	1943	1942	1941	1943	1942
Ann Arbor	248	570	534	1,408	1,470
Bangor & Aroostook	2.777	2.308	2.017	262	273
Boston & Maine	6,274	7,849	8,271	16,170	16.704
Chicago, Indianapolis & Louisville	1,349	1,630	1,536	2,176	2,327
Central Indiana	28	33	18	60	58
Central Vermont	1,093	1,256	1,359	2.292	2,114
Delaware & Hudson	6,119	6.607	6,339	12,283	13,419
Delaware, Lackawanna & Western	7,542	8.543	9,410	11,442	9,268
Detroit & Mackinac	216	274	191	134	170
Detroit, Toledo & Ironton	1.884	2,200	3,098	1,560	1,584
Detroit & Toledo Shore Line	341	334	388	3,812	3,775
Erie	12,923	14.015	14.226	19,916	16.564
Grand Trunk Western	3,468	4,359	6,232	8,787	8.998
Lehigh & Hudson River	172	213	163	4,495	3.357
Lehigh & New England	1,868	1,379	1,661	1,749	1.911
Lehigh Valley	6,699	8.936	9,603	13,513	10,214
Maine Central	2.584	3.139	3.020	4,601	4.470
Monongahela	6,625	6,493	6,402	394	452
Montour	2.512	2.307	2,143	20	27
New York Central Lines	50,578	45,802	49,809	55.425	55.887
N. Y., N. H. & Hartford	10,038	12,106	11,620	21,667	19,714
New York, Ontario & Western	1.074	1,154	1,106	2,402	2,618
New York, Chicago & St. Louis	6,365	7,172	6,115	17.872	15.418
N. Y., Susquehanna & Western	361	513	441	2,907	1.334
Pittsburgh & Lake Erie	7,793	8,442	8.235	9,096	7.931
Pere Marquette	4,629	5,149	6,445	8,145	6,768
Pittsburg & Shawmut	629	538	645	7	31
Pittsburg, Shawmut & North	328	420	399	273	400
Pittsburgh & West Virginia	840	805	1,212	3,444	2,563
Rutland	351	518	626	949	1.046
Wabash	5.032	5.832	6,391	12,954	11,494
Wheeling & Lake Erie	4.975	4.918	4,813	6,779	4.395
Total	157,720	165,814	174,468	246,994	226,754
Allegheny District—					
Akron, Canton & Youngstown	840	706	584	1,335	1.118
Baltimore & Ohio	40,065	41.494	39,175	30,192	27.972
Bessemer & Lake Erie	3,167	3,388	4,013	1,508	1,743
Buffalo Creek & Gauley	325	314	266	4	2
Cambria & Indiana	1,971	1,900	1,865	29	13
Central R. R. of New Jersey	6,846	8,411	7,555	21,113	19,253
Cornwall	636	103	556	96	78
Cumberland & Pennsylvania	290	303	329	8	16
Ligonier Valley	133	135	154	84	67
Long Island	843	793	753	5,075	3,599
Penn-Reading Seashore Lines	1.681	1,857	1,399	2,879	2.749
Pennsylvania System	76.935	81,320	76,307	64,599	59.669
Reading Co.	14.504	16.166	16,821	31,148	29,787
Union (Pittsburgh)	20,601	20.752	20,368	4,609	3,999
Western Maryland	3,996	4.138	4,121	15,305	12,492
Total	172,833	181.780	174.266	177,984	162 557
Pocahontas District—					
Chesapeake & Ohio	28 757	27 017	26 711	13.447	13.436
Norfolk & Western	22,921	22,548	22.900	7.179	7.312
Virginian	4,804	4,456	5,088	2,762	2,214
Total	56.482	54.021	54 699	23.388	22.962
Southern District—	1943	1942	1941	1943	1942
Alabama, Tennessee & Northern	265	351	266	333	355
Atl. & W. P.—W. R. R. of Ala.	781	1,056	824	2,503	2,472
Atlanta, Birmingham & Coast	611	797	716	1,819	1,216
Atlantic Coast Line	15,592	13,945	12,084	11,764	10,026
Central of Georgia	4,140	4,581	4,460	5,365	4,257
Charleston & Western Carolina	423	426	438	1,879	1,927
Clinchfield	1,725	1,638	1,680	3,387	3.025
Columbus & Greenville	324	301	266	175	311
Durham & Southern	121	197	175	533	425
Florida East Coast	3,227	2,818	1,119	1,590	1,164
Gainesville Midland	45	43	43	156	204
Georgia	1,148	1,380	1,232	3,005	2,576
Georgia & Florida	377	373	367	810	770
Gulf, Mobile & Ohio	3,500	4,169	3,870	5,773	3,595
Illinois Central System	25,643	27,765	24.268	18,692	15,781
Louisville & Nashville	25,136	23,967	26,087	11,209	9,284
Macon, Dublin & Savannah	188	204	157	1,017	716
Mississippi Central	201	264	210	410	519
Nashville, Chattanooga & St. L.	3,180	3,728	3,154	5.301	3,882
Norfolk Southern	1,241	1,349	1,182	1,729	1,421
Piedmont Northern	343	495	471	1,403	1,352
Richmond, Fred. & Potomac	430	501	376	11,549	10,846
Seaboard Air Line	10.883	11,358	10,902	9,365	7,605
Southern System	22,690	24,860	24,993	24,570	22,898
Tennessee Central	560	663	571	862	868
Winston-Salem Southbound	121	132	174	907	1,038
Total	122.895	127.361	120,105	126,106	108.533
Northwestern District—					
Chicago & North Western	13,275	16,693	16,340	13,029	13,367
Chicago Great Western	2,187	2.581	2,573	3,121	3,393
Chicago, Milw., St. P. & Pac.	18.266	20,085	21.250	10,401	10.223
Chicago, St. Paul, Minn. & Omaha	2.836	3,393	3,787	3,495	4,238
Duluth, Missabe & Iron Range	1,013	1,213	802	236	426
Duluth, South Shore & Atlantic	451	694	530	442	608
Elgin, Joliet & Eastern	9,057	9.900	9,814	11,723	10,679
Ft. Dodge, Des Moines & South	399	511	451	100	150
Great Northern	8.731	11,402	10,450	4,897	4,762
Green Bay & Western	466	533	496	814	883
Lake Superior & Ishpeming	181	943	194	38	95
Minneapolis & St. Louis	1.837	1.794	1,765	1,934	2,518
Minn., St. Paul & S. S. M.	3.557	5,188	4,978	2.903	3.965
Northern Pacific	8,177	10,235	9,660	4,469	4,469
Spokane International	91	116	104	539	354
Spokane, Portland & Seattle	1,852	2,778	2,305	3,394	2,519
Total	72 376	88 059	85,499	61.535	62.649
Central Western District—					
Atch., Top. & Santa Fe System	22,452	21.857	18,585	13,058	8.773
Alton	2.833	3.415	3,394	4,061	4.701
Bingham & Garfield	515	582	522	122	125
Chicago, Burlington & Quincy	18.536	15.301	17,205	11,937	11,285
Chicago & Illinois Midland	3.302	3.022	2,628	781	822
Chicago, Rock Island & Pacific	11,427	11,137	11,603	13,682	11,704
Chicago & Eastern Illinois	2,435	2,635	3,277	4.753	3,257
Colorado & Southern	696	799	772	1,993	1,838
Denver & Rio Grande Western	3,127	2,864	2,534	5,789	4,389
Denver & Salt Lake	681	477	530	13	12
Fort Worth & Denver City	1,115	981	897	1,823	1,268
Illinois Terminal	1,866	2.175	1,974	1,767	1,652
Missouri-Illinois	945	1,331	904	499	455
Nevada Northern	2,112	1,965	1,784	121	168
North Western Pacific	976	1,021	732	679	435
Peoria & Pekin Union	30	13	6	0	0
Southern Pacific (Pacific)	26,582	27,856	24,885	12.821	9,945
Toledo, Peoria & Western	213	186	414	1,985	834
Union Pacific System	13,716	15,410	14,887	13,925	11,771
Utah	612	466	424	8	5
Western Pacific	1,966	1,729	1,787	2,944	3,005
Total	116.137	115.222	109,744	92,761	76.444
Southwestern District—					
Burlington-Rock Island	799	689	134	197	237
Gulf Coast Lines	5,520	5,141	2,630	2,282	2,753
International-Great Northern	2,216	2,369	1,717	3,483	2,927
Kansas, Oklahoma & Gulf	321	329	210	1,120	1,044
Kansas City Southern	4.608	4,013	2,337	3,154	3,058
Louisiana & Arkansas	3,181	2,862	1,996	2,458	2,355
Litchfield & Madison	336	364	390	1,078	1,045
Midland Valley	699	547	628	270	236
Missouri & Arkansas	117	210	166	440	505
Missouri-Kansas-Texas Lines	6,184	5,252	4,045	6,810	4,215
Missouri Pacific	16,574	15,935	15,427	17,191	15,878
Quanah Acme & Pacific	83	165	98	261	183
St. Louis-San Francisco	8,512	8,330	8,354	8,644	7,678
St. Louis Southwestern	2,917	3,325	2,672	5,640	5,754
Texas & New Orleans	13,480	10,181	6.466	6,434	4.622
Texas & Pacific	4,002	4,531	3,765	*6,396	6,861
Wichita Falls & Southern	113	137	147	34	29
Weatherford M. W. & N. W.	29	17	21	28	27
Total	69.691	64.397	51,203	65,920	59.408

Note—Previous year's figures revised. *Previous week's figure.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Jan. 2	126.844	97.386	379.573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397.437	88	85
Jan. 23	143,028	140.849	398.594	88	86
Jan. 30	152.358	136.645	413.084	88	86
Feb. 6	169,417	140.836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454.308	94	88
Mar. 6	175.178	147,830	480.802	93	89
Mar. 13	166.885	146.062	498.927	93	89
Mar. 20	155,116	149,096	504,414	92	90

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

flew in and talked with the officials in charge. But a colonel on MacArthur's staff, a former newspaperman, did his stuff among the Washington newspaper corps. He did a logical job, got plenty of a hearing, but what MacArthur wanted did not fit into Administration plans and the fact that he went after his wants in this publicized way is considered embarrassing and not what a commander of the Australian theatre should do.

We don't know of a more perfect example of the artificiality of Washington than the build-up of John L. Lewis' appearance before the Senate Truman Committee, and the consequences of his appearance. First, we have been told far and wide that Lewis had his finger in the dyke of inflation. There have been many brilliant cartoons to that effect. Let him pull that finger out and we were inflation engulfed. One's first thought was that this was an awful tenuous thread with which inflation was arrested.

The Truman committee, which incidentally is feeling its oats and which is considering itself as the symbol of the legislative branch's reasserting its strength, had an exchange of correspondence with Lewis about his coming down from New York to discuss broad matters of inflation and absenteeism. Lewis had replied he would be glad to be present if his negotiations with the coal operators permitted it. Whereupon Senator Truman gleefully announced that the Truman Committee was taking nothing from nobody and that Lewis had been subpoenaed. The result was a perfect setting for Lewis when he did appear. Kleig lights were focussed on him, the sensus of Washington newspaper-building was packed. The concensus of Washington newspapermen is that he made a fool of the committee, and before a nationwide audience.

And, incidentally, he asked why the Committee should want to blow him up like this.

But let me tell you some more of the dramatics of Washington. The day before his appearance, the Administration went to work on Congress. Their agents, directed by Benny Cohen, our old friend of the Tommy Corcoran-Benny Cohen team of old—Benny, is now general counsel to Jimmy Byrnes—it's amazing, isn't it?—anyway, these agents went among the Senators considering the Pace farm bill, which I understand would also have brought about inflation. And they passed out the word that the President was prepared to send troops into the mine fields to defeat Lewis if the Senate would only kill the Pace bill. On this ground, the Senate recommitted the Pace Bill, but passed another farm bill, the Bankhead bill, which the economists say is less inflationary, but inflationary. It is now on the President's desk and he is expected to veto it, maybe before this article appears.

It so happens that Lewis knows about the threat to send troops into his mine fields; he knows that the military has already been up there looking over the billeting situation. But he is unnerved. He knows he will come out of the fracas a "bigger" or "stronger" man with the entire organized labor set-up. There were some 100 labor leaders, of varying degrees of importance listening to him and watching him before the Truman Committee, and their reaction was one of envy. They all will be trying to emulate him.

A very able and statesmanlike labor leader before him, John P. Frey, had advocated the suspension of the Wagner Act for the duration of the war, to end jurisdictional disputes. Did he get any play in the press? No.

Items About Banks, Trust Companies

Guaranty Trust Company of New York announced on March 26 the appointment of R. Alton Atkinson and H. Livingston Schwartz, Jr., as Assistant Treasurers. Both are associated with the Company's banking department at the main office, where Mr. Atkinson will be identified with the bank's relationships in the Southwest section of the country, and Mr. Schwartz in the Middle West district.

The Chase National Bank of New York has acquired the banking business of the Chemical Bank & Trust Company branch at Broadway and 73rd Street, and, effective March 29, began the operation of a branch at that location. The Chase branch at 86th Street and Broadway was discontinued on March 27 and the business and staff of that office have been transferred to the banking quarters in the new Chase location at Broadway and 73rd Street.

The Quarter Century Club of the East River Savings Bank of New York announces the election of officers, on March 26, for the coming year, viz.:

President, Francis P. Bosco; Vice President, William G. Terlinde; Secretary, Henry J. Monsees.

Announcement was made that William E. Campion, the retiring President of the Club, who has been in the employ of the Bank since 1899, and is, therefore, the senior employee in length of service, will retire from the bank as of April 15. He has the distinction of serving the Bank longer than any other employee in the Bank's history of 94 years, under two of the three Secretaries of the Bank and six of its nine Presidents. A testimonial was presented to Mr. Campion and one to Julius Heynen, Assistant Secretary of the Bank, and a member of the Club, who is retiring as of April 1. Mr. Heynen, from 1908, has been associated with the Maiden Lane Savings Bank which merged with the East River Savings Bank in 1932. He had been Secretary, Manager, Vice President and Trustee of the Maiden Lane Savings Bank and an officer of the Maiden Lane Safe Deposit Company.

Martin J. Pleschinger, Chelsea (Mass.) banker, died on March 23 at his home in Chelsea. Mr. Pleschinger, who was 76 years old, was President of the Bellingham Investment Association and a Trustee of the County Savings Bank in Chelsea.

Albert C. Brown, President of the Worcester North Savings Institute, Fitchburg, Mass., died on March 26 at his home in Fitchburg at the age of 83. Mr. Brown had been connected with the bank since 1881, having been elected Assistant Treasurer in 1895, Treasurer in 1912, and President in 1933.

The four mutual savings banks of Hartford, Conn.—Dime Savings Bank, Mechanics Savings Bank, Society for Savings and State Savings Bank—have announced that their dividend rate will be reduced following the payment of their next regular dividend. The lower dividend rate—from the present 2½% per annum to an expected 2%—is said to be the result of reduced interest rates on savings bank investments. The Hartford "Courant" of March 20, in reporting this, said:

"The action by the four banks affects approximately 185,000 depositors or 18% of mutual savings bank depositors in Connecticut having about 18.5% of total deposits in the mutual banks of the State. The aggregate of their deposits is approximately $140,000.000."

Joseph L. Parsons, President of the Canaan National Bank, Canaan, Conn., died on March 19 at Hartford Hospital. Mr. Parsons became a Director of the Canaan National Bank a few years after its founding in 1907. He had been President of the institution since 1936.

Resignation of John G. Gaston as President of the Somerville Trust Co., Somerville, N. J., was announced on March 24 by Reeve Schley, Chairman of the Board. Howard S. Lyon, Executive Vice President since 1933, has been elected to succeed Mr. Gaston. Mr. Gaston has been associated with the institution and its predecessor, the First National Bank, since 1904 when he became Vice President. He became President in 1924.

According to Somerville advices to the Newark "News" Mr. Lyon is serving on the Borough Council as Chairman of the Finance Committee and is Deputy Commander of the Civilian Defense organization here. He is also co-chairman of the Somerset County War Savings Staff.

Sigmund Ojserkis, who was President of the Boardwalk National Bank, Atlantic City, N. J., for 25 years, died on March 22 at his home in Hammonton, N. J.

The Peoples-Pittsburgh Trust Co., Pittsburgh, a State member bank of the Federal Reserve System, has absorbed the First National Bank of Etna, Pa. Following the absorption a branch of the Pittsburgh institution was established at Etna.

A final dividend of approximately 17½% will be paid to the 30,000 depositors of the Ohio Savings Bank & Trust Co. in May, W. L. Hart, State Superintendent of Banks, announced on March 23 in Toledo, after Judge Herman Krueger, in Common Pleas Court, had granted a motion authorizing the payment. The bank has previously paid 72½% of original accounts to depositors. The remaining assets of the bank were recently sold to two Toledo investors.

The Peoples Bank, Greensburg, Ky., has become a member of the Federal Reserve Bank of St. Louis, increasing the total membership of this Reserve Bank to 453. The new member bank, chartered in 1902, has a capital of $25,000, surplus of $20,000, and total resources of $859,521.

Gurney P. Hood, Commissioner of Banks for North Carolina, has been reappointed for another four-year term by Governor Broughton. Mr. Hood received his first appointment to the banking post in April, 1931. He is a past President of the National Association of Supervisors of State Banks, having served in 1938-39.

FIC Banks Place Debs.

An offering of $19,830,000 consolidated debentures of the Federal Intermediate Credit Banks was made March 16, at par, by Charles R. Dunn, New York, fiscal agent for the banks. The debentures, which carry a coupon of 0.85%, are dated April 1, 1943, and mature Jan. 3, 1944. The proceeds from the sale of the debentures went to pay off maturing issues due April 1, 1943, amounting to $31,325,000, the balance for this purpose being from cash on hand. At the close of business April 1, 1943, the banks will have a total of $281,670,000 debentures outstanding.

ABA Program for Banks In New War Bond Drive

In the new Treasury War Bond drive to be held in April the banks of the nation should and will play a major role, it is stated in a report of the Economic Policy Commission of the American Bankers Association, entitled "The 100 Billion Budget and the Banks," made public on March 15.

"While the December drive was successful and bankers are proud of their share in this success," the report says, "the April drive calls for still greater effort. More money is needed. The coverage must be broader, more individuals must subscribe if this bond drive is to play its part as a means for checking inflation.

"Once more," it adds, "the President has startled the country with a budget of gigantic proportions—$24,000,000,000 larger than the current fiscal year's probable expenditures and six times as large as the biggest year of World War I." The report reviews the various ways of preventing this from becoming inflationary and asserts that "whatever its effect on us as individuals we must urge increased taxes up to the maximum that can be borne without checking the war effort."

The report points out that no equitable tax program can take the whole surplus income created by Treasury spending, and states "there will still remain much spending power which can be reached only by voluntary means. It is in this form—bond sales to people and voluntary savings—that the banks have their special opportunity in the effort to avoid inflation."

The Economic Policy Commission consists of a nationally representative group of 12 bankers and the economist of the association, and speaks for the American Bankers Association on economic questions. In its current report the Commission stresses the need for organizing for a broader coverage of individual prospects during the coming April war financing drive. The Commissions says:

"As a primary contribution to the success of the campaign, the commercial banks should make staff assignments for efficient handling of the great volume of work involved in entering subscriptions, collecting payments and making deliveries of securities. Secondly, the banks are expected to assume a direct sales responsibility. We are asked, in effect, either to solicit our own depositors or to accept the aid of professional or volunteer salesmen in this solicitation. There was ample evidence in December that depositors are glad to have the Treasury's sales appeal made to them by their bankers, and this obligation should be willingly accepted both as a patriotic duty and as a service to our depositors."

Other recommendations of the Commission include careful selection of names of prospects, special training of salesmen for the drive, the use of personal letters from bank presidents to prospects, widespread publicity through the press, radio and movies, and individual interviews whenever possible.

The report recognizes that "even after the best possible efforts to sell securities to customers have been made, the banks themselves will be called upon to absorb a substantial amount of Government securities," and suggests certain yardsticks that individual banks may use in determining the size of their subscriptions for Treasury issues. "A first principle," it says, "is that banks should now be fully invested. With the large amount of Treasury bills and certificates available there is no longer any reason for a bank to carry more than a minimum of excess reserves. The bank carrying continuously large excess reserves is not doing its share in the program and is losing earnings unnecessarily." It urges full use of facilities for making payment for subscriptions to Treasury issues through the use of War Loan accounts and calls attention to the bill pending in Congress to exempt War Loan deposits both from Federal Deposit Insurance assessment and from reserve requirements.

As a second yardstick, the report suggests the percentage of a bank's deposits invested in Government securities. The Commission adds: "On Dec. 31, 1942, the average bank in the United States held Government securities equal to nearly half of its total deposits, and banks which are holding less than this amount might examine their positions to see whether they might not do more. This percentage would, of course, be somewhat dependent upon a bank's loan portfolio." Still another measure, it points out, that might be applied in subscribing for new issues, according to the report, is for each bank to consider taking a share of the new financing proportionate to its share of the total bank deposits of the country, estimated at $85,000,000,000 at the end of December.

Recognizing that some banks have been reluctant to become fully invested because of a feeling that deposits may drop off after the war, the report states that "in the present case the expansion of deposits is due to increased bank holdings of Government securities and that deposits would normally be liquidated as these securities are redeemed by the Government or sold to other investors. This," it observes, "is likely to be a gradual operation during which there may be some offsetting increases from commercial lending."

As to the possibility that individual banks may lose deposits after the war through shifting of funds between different regions and different banks, the report has the following to say:

"The answer to this problem appears to be in the character of the securities purchased. Many careful bankers are putting a large part of their newly acquired funds into Treasury bills and certificates which can always be liquidated promptly to meet any decline in deposits but which, nevertheless, enable the bank to do its share in the financing program and add to its income without any real hazard."

Discussing the dangers of a rapidly mounting Government debt, the report foresees high taxes for an indefinite period, with their consequent tendency towards discouragement of initiative and enterprise, but takes the position that even these taxes can be borne if post-war policies are conducive to a sound increase in national productivity and wealth. "The more immediate hazard," according to the report, "attaches to the expansion of bank credit through which the huge debt is created and carried" and which, it says, "represents spending power in vast amounts that could blow prices through the roof if its owners started to spend freely."

Explaining that heretofore the growth of bank deposits accompanying the rising debt has not caused inflation because of an atmosphere of fear and caution, the report warns that "mechanically all the elements of a serious inflation are here. Psychologically, we are fortunately still somewhat cautious," it adds. According to the Commission, "there are two things the banks can do in this situation: The first is to sell bonds outside the banks. This reduces the amount left for the banks to absorb. It keeps down the mechanical base for inflation by retarding the expansion of bank credit, which is spending power." It continues:

"The second is to encourage a habit of thought. It is time to teach the old-fashioned doctrine of work and save, for salvation lies in the thinking habits of the people as well as in the mechanics of money. If we should be spendthrift and improvident we should court disaster no matter what the size of the debt. But if we are industrious and saving we can manage a very large debt even though it predisposes to trouble."

The report concludes with a summary of a desirable program for banks for use in helping to finance the $100,000,000,000 budget listed under six points. These six points are:

"1. Promote actively the current sale of savings bonds.

"2. Organize for Treasury War Financing drives to sell to our customers and to other non-bank investors.

"3. Welcome temporary loss of deposits caused by customers' purchases of Government securities.

"4. Invest idle funds and then buy our share of new issues in relation to deposits.

"5. Use War Loan account.

"6. Preach the gospel of savings."

Members of the ABA Economic Policy Commission are:

W. Randolph Burgess, Vice-Chairman of Board, National City Bank, New York, N. Y., Chairman; Leonard P. Ayres, Vice-President, Cleveland Trust Co., Cleveland, Vice-Chairman; Winthrop W. Aldrich, Chairman of Board, The Chase National Bank, New York; F. M. Farris, President, Third National Bank in Nashville, Nashville, Tenn.; A. P. Giannini, Chairman of Board, Bank of America N. T. & S. A., San Francisco, Cal.; A. George Gilman, President, Malden Savings Bank, Malden, Mass.; Richard S. Hawes, Vice-President, First National Bank, St. Louis, Mo.; Rudolf S. Hecht, Chairman of Board, Hibernia National Bank, New Orleans, La.; Harold H. Helm, Vice-President, Chemical Bank and Trust Co., New York; William A. Mitchell, Vice-President, J. P. Morgan & Co. Inc. New York, N. Y.; E. S. Woosley, Vice-President, Louisville Trust Co., Louisville, Ky.; John C. Wright, Vice-President and Cashier, American National Bank and Trust Co., Chicago, and Dr. Paul F. Cadman, economist, American Bankers Association, New York.

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